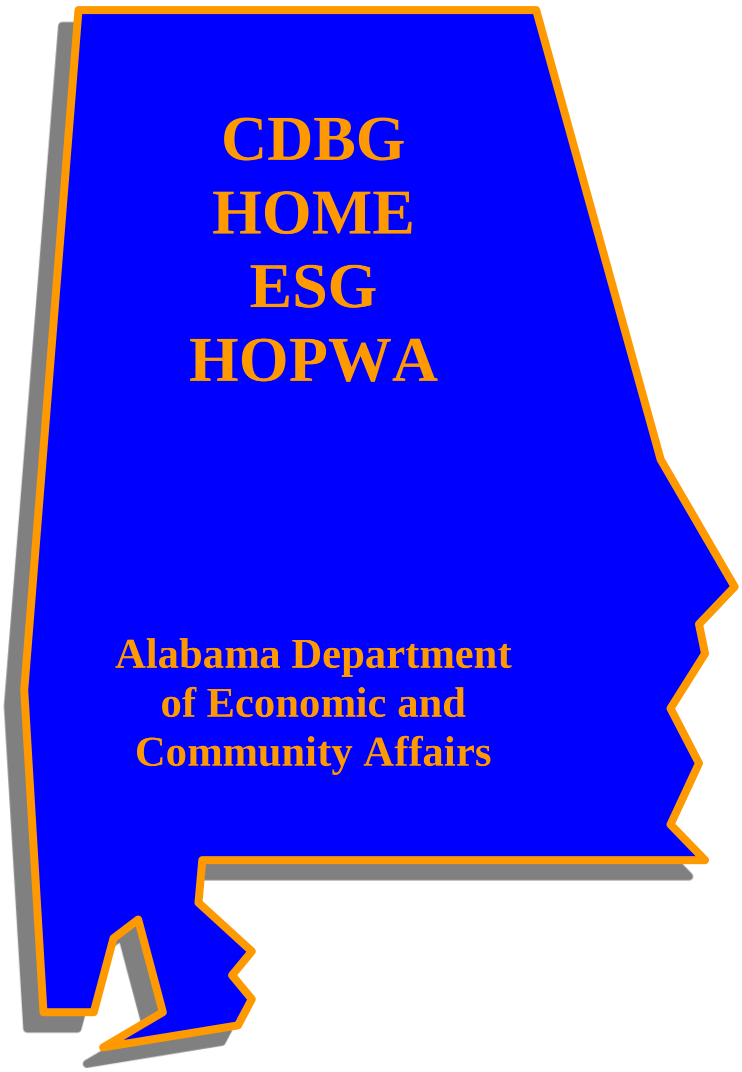
State of Alabama

Program Year 2016 One-Year Annual Action Plan



State of Alabama

Program Year 2016

One-Year
Annual Action Plan

for

CDBG, HOME, ESG, and HOPWA Programs

ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS
401 ADAMS AVENUE
POST OFFICE BOX 5690
MONTGOMERY, ALABAMA 36103-5690

APRIL 1, 2016 – March 31, 2017

STATE OF ALABAMA
April 1, 2016-March 31, 2017
ONE-YEAR ANNUAL ACTION PLAN
for
CDBG, HOME, ESG, and HOPWA Programs

TABLE OF CONTENTS

SETUP

AD-26 Administration

Strategic Plan Beginning Year: 2016
Ending Year: 2017
Title: State of Alabama One-Year Annual Action Plan (April 1, 2016 – March 31, 2017)
Plan Version: #1 - Original
If Amendment: Not applicable
If Substantial Amendment, explain: Not applicable
Programs Included:
- ☑ Community Development Block Grant Program (CDBG)
- ☑ HOME Investment Partnerships Program (HOME)
- ☑ Emergency Solutions Grants Program (ESG)
- ☑ Housing Opportunities for Persons With AIDS Program (HOPWA)

Consolidated Plan is for: Grantee

Alternate/Local Data Sources:

Sort / Number:	Data Source Name	Description
1.	State of Alabama Survey Data	Survey
2.	State of Alabama "Analysis of Impediments to Fair Housing Choice" Public Input	Focus Group Input

AD-50 Verify Grantee/PJ Information in IDIS

Grantee Information:

Lead Agency: Alabama
Year: 2016
Start Date: April 1, 2016 (start of PY2016)
End Date: March 31, 2017 (end of PY2016)

Address: Alabama Department of Economic and Community Affairs (ADECA)
Community and Economic Development Division
401 Adams Avenue, Room 500
Post Office Box 5690
Montgomery, Alabama 36103-5690

AD-55 Verify Grantee/PJ – Program Contacts

Primary Contact	
First Name: Jim Middle Initial: Last Name: Byard, Jr. Title: ADECA Director Email: Jim.Byard@adeca.alabama.gov Address: Alabama Department of Economic and Community Affairs (ADECA) 401 Adams Avenue, Room 580 Post Office Box 5690 City: Montgomery State: Alabama Zip Code: 36103-5690 Telephone: 334-242-5591	

CDBG Contacts	
First Contact	**Second Contact**
First Name: Shabbir Middle Initial: A. Last Name: Olia Title: Division Chief, Community and Economic Development Division Email: Shabbir.olia@adeca.alabama.gov Address: Alabama Department of Economic and Community Affairs (ADECA) Community and Economic Development Division 401 Adams Avenue Post Office Box 5690 City: Montgomery State: Alabama Zip Code: 36103-5690 Telephone: 334-242-5468	First Name: Al Middle Initial: Last Name: Jones Title: Unit Chief, Community and Economic Development Division Email: al.jones@adeca.alabama.gov Address: Alabama Department of Economic and Community Affairs (ADECA) Community and Economic Development Division 401 Adams Avenue Post Office Box 5690 City: Montgomery State: Alabama Zip Code: 36103-5690 Telephone: 334-353-2028

HOME Contacts	
First Contact First Name: Gary Middle Initial: Last Name: Donegan Title: Research & Planning Administrator Email: gdonegan@AHFA.COM Address: Alabama Housing Finance Authority 7460 Halcyon Pointe Dr #200 City: Montgomery State: Alabama Zip Code: 36117 Telephone: 334-244-9200	**Second Contact** First Name: Barbara Middle Initial: Last Name: Wallace Title: Multifamily Allocation Manager Email: bwallace@ahfa.com Address: Alabama Housing Finance Authority 7460 Halcyon Pointe Dr., Ste. 200 City: Montgomery State: Alabama Zip Code: 36117 Telephone: 334-244-9200

ESG Contacts	
First Contact First Name: Shonda Middle Initial: H. Last Name: Gray Title: Emergency Solutions Grants (ESG) Program Manager Email: Shonda.gray@adeca.alabama.gov Address: Alabama Department of Economic and Community Affairs (ADECA) Community and Economic Development Division 401 Adams Avenue, Room 500 Post Office Box 5690 City: Montgomery State: Alabama Zip Code: 36103-5690 Telephone: 334-353-0288	**Second Contact** First Name: Middle Initial: Last Name: Title: Email: Address: City: State: Zip Code: Telephone:

Housing Opportunities for Persons With AIDS (HOPWA) Contact	
First Contact	**Second Contact**
First Name: Kathie	First Name: Nathan
Middle Initial: M.	Middle Initial: A.
Last Name: Hiers	Last Name: Salter
Title: CEO	Title: Administrative Director of Programs
Email: Kathie@aidsalabama.org	Email: Nathan@aidsalabama.org
Address: AIDS Alabama 3529 7th Avenue South Post Office Box 55703	Address: AIDS Alabama 3529 7th Avenue South Post Office Box 55703
City: Birmingham	City: Birmingham
State: Alabama	State: Alabama
Zip Code: 35222 (for P.O. Box = 35255)	Zip Code: 35222 (for P.O. Box 35255)
Telephone: 205-324-9822	Telephone: 205-324-9822

PROCESS

AP-05 Executive Summary [see 24 CFR 91.300(c), 91.320(b)]

1. Introduction:

The State of Alabama's PY2016 One-Year Annual Action Plan is a collaboration of the Alabama Department of Economic and Community Affairs (ADECA), the Alabama Housing Finance Authority (AHFA), AIDS Alabama, and this Plan evidences the information-gathering and planning work conducted by these administrative agencies. This Plan's information derives from Census data, American Community Survey data, and community needs and fair housing survey documents developed for Alabama's updated (2014-2015) Analysis of Impediments to Fair Housing Choice. Participants in said data collection included Alabama's 144 Public Housing Authorities; 123 members of the Alabama Public Housing Authority Director's Association; 12 Regional Planning Commissions; 15 grant management firms who administer ADECA's CDBG grant projects for non-entitlement cities and counties; 154 banking and mortgage-lending institutions that are members of the Alabama Bankers Association and are chartered by the Alabama State Banking Department; all of ADECA's CDBG, ESG, HOME, and HOPWA grant funds recipients; other state agencies with whom ADECA conducts grant research work; 462 mayors and additional local government staff contacted through the Alabama League of Municipalities; 67 county commission chairmen and additional county government staff contacted through the Alabama Association of County Commissions; real estate sales agencies and rentals professionals; nonprofit organization directors; private citizens; private sector consultants; and continuum of care staff, all of whom were part of the information-gathering process. As a result, the goal of this Plan is to serve as a guide for administering the blending of federal dollars with local dollars to develop and implement local planning initiatives so that both the public and private sectors in Alabama can address needs identified through their strategic planning processes.

The following priorities are in effect for the four programs: For the CDBG Program, the housing-related priority is single family, owner-occupied rehabilitation. For the ESG Program, the housing priority is to provide rental assistance to prevent homelessness and re-house homeless persons. For the HOPWA Program, the housing priorities are rental assistance, operations of housing, and supportive services to keep people stably housed and in healthcare. And for the HOME Program, the housing priority is new construction of affordable rental units across the State. For non-housing needs, the priorities consist of essential community facilities and the promotion of economic development programs.

More specifically, for 2015-2019, expenditure of Community Development Block Grant (CDBG) funds will focus on community development, local planning, economic development, infrastructure and loan programs, health hazard and urgent crisis management, job creation/ growth/retention, housing rehabilitation, and Alabama's Black Belt Region initiatives that have been operating since 2005. Expenditure of HOME Program funds will focus on new construction of multifamily rental housing across Alabama. The intent is that HOME Program tenants will include families, elderly citizens, and special needs households, all of whom will be low-income and in need of affordable housing units. Expenditure of the Emergency Shelter Grant (ESG) Program funds will facilitate Alabama's homeless population needs, and will focus on facility conversion, rehabilitation, operating expenses, essential services, and homeless prevention assistance. Expenditure of Housing Opportunities for Persons With AIDS (HOPWA) Program funds will direct housing activities benefitting persons with HIV/AIDS and their households and supportive services needed by tenants to maintain housing stability and avoid homelessness. Such direct housing activities include operational costs for existing HIV/AIDS housing, as well as rental assistance programs that are both tenant-based and project-based rental assistance programs, and the Short-term Rent, Mortgage, and/or Utility Assistance (STRMU) Payment Program. Anticipated activities also include providing housing information and outreach services to consumers, identifying resources for accessing and maintaining permanent and/or transitional supportive housing for persons with HIV disease and their families by partnering with each local Continuum of Care and other housing and service entities, assisting with the acquisition of land for new construction projects, implementing a statewide master leasing program, and providing technical assistance to support efforts by local AIDS Service Organizations and other low income housing entities to increase local housing options.

2. Summarize the objectives and outcomes identified in the Plan: [This could be a restatement of items or a table listed elsewhere in the plan, or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis, or the strategic plan.]

Alabama's objectives and outcomes identified in this Plan are designed to serve the needs of Alabama's residents through professional and efficient management of the HUD programs and funds covered by this Plan. It is Alabama's mission to distribute the funds and resources in an equitable manner, per the federal and state regulations and guidelines, through long-term and short term objectives.

The <u>Long-Term Objectives</u> are to:

1. provide important community facilities that address all aspects of community development (CDBG);

2. promote economic development that creates new jobs, retains existing employment, and expands the local tax base (CDBG);
3. meet the affordable housing needs of low- and moderate-income Alabamians (HOME and CDBG);
4. provide assistance to homeless persons and victims of domestic abuse (ESG);
5. prevent homelessness (ESG); and
6. provide housing and supportive services for persons with HIV/AIDS (HOPWA).

The Short-Term (Five Year) Objectives are to:

1. allow communities to address the community development needs perceived to be the most important at the local level (CDBG);
2. encourage communities to develop and implement infrastructure plans for the near-future (CDBG);
3. assist communities in responding to economic and development needs in a timely manner primarily through infrastructure assistance (CDBG);
4. provide a mechanism for managing health hazards and urgent needs so that communities can readily respond to crises (CDBG);
5. provide a mechanism for addressing a wide variety of community development needs including housing rehabilitation (CDBG);
6. utilize a combination of HOME funds, Low-Income Housing Tax Credits, and conventional lending sources (HOME);
7. fund the greatest number of grant assistance requests while maximizing the number of affordable rental units which will be made available to Alabama citizens (HOME);
8. upgrade existing homeless facilities and domestic abuse shelters (ESG);
9. meet the operating costs of homeless facilities and domestic abuse shelters (ESG);
10. provide essential services to homeless persons and victims of domestic abuse (ESG);
11. support and expand a statewide rental assistance program through qualified AIDS Service agencies to prevent homelessness and increase housing stability through project and tenant-based rental assistance and Short Term Rent, Mortgage and Utility Assistance funds statewide (HOPWA);
12. provide supportive services statewide to those living with HIV/AIDS to prevent homelessness and increase housing stability (HOPWA);
13. support existing AIDS housing programs, continued operating costs, and continued supportive housing through existing programs in the state (HOPWA);
14. support housing information and outreach to low-income HIV-infected persons statewide (HOPWA);
15. provide technical assistance and support master leasing services statewide for AIDS Service Organizations to meet local needs and increase local housing options (HOPWA); and
16. provide possible acquisition and new construction support as part of collaborative partnerships statewide to expand HIV/AIDS housing to meet increasing needs (HOPWA).

3. Evaluation of past performance: [This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.]

During previous years of HUD funding (2010-2015), ADECA's CDBG Program allocated funds to projects designed to create suitable living environments by (i) improving the availability of local government services (through water, sewer, and street/road improvements), (ii) promoting and improving the sustainability of viable communities (through development of parks, senior centers, fire stations, and other community enhancement or limited clientele projects), and (iii) improving accessibility to and sustainability of fair housing through improved housing affordability and created economic opportunities (through housing rehabilitation and demolition, local planning, and economic development projects for job-creation and job-retention). AHFA allocated HOME funds combined with Low Income Housing Tax Credits within Alabama which helped to develop projects throughout the State providing housing units for low-income families. ADECA's ESG Program provided emergency shelters, soup kitchens/meals, child care services, transitional housing, food pantries, services for homeless persons with alcohol/drug problems, vouchers for shelters, health care services, employment services, outreach services, mental health services, homeless prevention services, and drop-in shelters. And AIDS Alabama's HOPWA Program provided housing assistance services to AIDS clients that included rental assistance, provision of housing supportive services, and HIV/AIDS services.

ADECA, AHFA, and AIDS Alabama together write and submit to HUD an annual report, termed the *Consolidated Annual Performance and Evaluation Report* (CAPER), of their respective programs' yearly performances. The CAPER is submitted to HUD by June 30 each year, and is available for public review and comment pursuant to the Citizen Participation Plan. The most recent CAPER, which consists of the programs' activities during PY2014 that encompasses the period of April 1, 2014 through March 31, 2015, was submitted to HUD on or about June 30, 2015, and can be viewed on the ADECA website (www.adeca.alabama.gov).

From the most recent CAPER (the PY2014 CAPER was submitted to HUD in June 2015), highlights of ADECA, AHFA, and AIDS Alabama meeting their PY2014 funding and programmatic goals are as follows:

● CDBG PY2014 goals included (1) job creation - wherein 7 economic development projects were funded, (2) infrastructure assistance – wherein 9 businesses were assisted to create and/or retain nearly 600 jobs, (3) water projects - wherein 12 water projects were funded, (4) sewer projects - wherein 14 sewer projects were funded (there were not sufficient funds to award to all of the needed projects), (5) roads and drainage - wherein 11 road and drainage projects were funded, and (6) housing rehabilitation - wherein 7 housing rehabilitation projects were funded.

● CDBG PY2014 funds were expended so that 62 low and moderate-income households were served by housing rehabilitation activities whose eligibility is determined by income. Of these 62 households, 14 (23%) were very low income, 20 (32%) were low income, and 28 (45%) were moderate-income. And 9 economic development projects were completed assisting 16 businesses, creating or retaining 566 jobs. Also in PY2014, the following projects were completed: 13 sewer projects, 11 water projects, 5 road and drainage projects, 2 planning projects, and 2 housing rehabilitation projects. In addition, 7 projects with multiple activities were completed, and one of these multiple-activity projects included housing rehabilitation as the primary activity. The Community Enhancement Fund allowed for the completion of 6 additional "other public facility" projects that included senior centers and community centers. The State used its Economic Development infrastructure program to address poverty conditions by allocating almost $5 Million ($4,971,232) in PY2014. Additionally, the State has been successful in attracting automotive manufacturers and their respective supplier plants, with the CDBG Program continuing its instrumental role therein providing funding through economic development grants for automotive suppliers that account for more than 200 new jobs to be created through PY2014 funding. Funding of economic development grants for PY2014 also includes such diverse companies as a hospital, a poultry breeder supplier, and an aerospace parts fabricator, among others. The State has the ability to use a revolving loan fund capitalized by the CDBG Program or a float loan program for larger projects. The State has not made Section 108 loans, but has awarded float loans when secured with bank letters.

● The State continued to make progress in providing affordable housing, both through the CDBG rehabilitation and the HOME housing program activities. AHFA allocated funds in combination with tax credits in the State that helped in the development of projects providing housing units for low-income families.

● The HOPWA Program was able to provide services to clients that included recipients of rental assistance and recipients of supportive services.

● The ESG Program provided ESG shelters, soup kitchens/meals, child care services, transitional housing, food pantries, services for homeless persons with alcohol/drug problems, vouchers for shelters, health care services, employment services, outreach services, mental health services, homeless prevention services, drop in shelters, and HIV/AIDS services, and this statewide coverage was achieved by utilizing several sub-recipients throughout the state.

4. Summary of Citizen Participation Process and consultation process:

[Summary from the Citizen Participation section of the Consolidated Plan.]

CDBG: Because citizen participation is encouraged in the development of all elements of the Consolidated Plan, any substantial amendments to the Plan elements, and the CAPER/ Performance Reports, participation is accomplished through public hearings in times and places accessible to the public (which includes low- and moderate-income residents) and through coordination of data and people from various agencies representative of affected/impacted citizens. All materials and meetings are accessible to persons with disabilities and persons with Limited English Proficiency, upon request, where practicable. Plans and amendments are presented for review and comment in statewide public hearings, via online websites, and in paper format in both English and Spanish versions, as and when requested. Chief elected officials, citizen groups, and citizens/the general public are notified of the hearings by email announcements, public notices/advertisements published in one or more of the State's major newspapers of general circulation, and announcements posted on the applicable agencies' websites. Upon request, the plans/amendments/other pertinent information are provided in a format accessible to persons with disabilities and Limited English Proficiency.

For grant purposes, the State makes available to its citizens, public agencies, and interested parties information that includes the amount of HUD-related grant funds/assistance the State expects to receive, and the range of activities on which those funds will be expended. Such notice includes the estimated amount that will benefit persons of low- and moderate-income as well as plans to minimize displacement of persons and to assist any persons who are displaced. This is accomplished through a statewide advertisement in the non-legal section of one or more of the State's major newspapers of general circulation. Notices are also posted on the ADECA website (www.adeca.alabama.gov) and sent via email to chief elected officials of local governments, state agencies, and other interested parties. The State publishes a summary of the proposed Plan in paper versions of one or more of the State's major newspapers of general circulation, and posts copies of the proposed Plan on the State's website as well as makes available a paper version at the State's office. The summary describes the contents and purpose of the Plan and includes a list of locations where copies of the entire proposed Plan may be viewed. The State also provides a reasonable number of free copies of the plan to citizens and groups who request it.

The State then conducts at least one public hearing on housing and community development needs before the proposed Plan is published for public comment. The State publishes a notice of the public hearing in the nonlegal section of one or more newspapers of general circulation two weeks prior to conducting the public hearing. The Notice includes adequate information to permit citizen comments on housing and community development needs. The public hearing is held at a public facility accessible to persons of low and moderate-income, as well as persons with disabilities. Length of time allocated for conducting the hearing is based on attendance at previous hearings. The State has adopted a Language Access Plan, posted at http://adeca.alabama.gov/Divisions/ced/cdp/Pages/default.aspx#Plans. This provides guidance for the State and its sub-grantees so that persons with Limited English Proficiency (LEP) can effectively participate in, or benefit from, federally-assisted programs. LEP persons are asked to contact the State if an interpreter is needed, and when a significant number of requests result, then an interpreter is provided.

The State receives comments on the proposed Consolidated Plan for a period of 30 days. The State considers any comments or views of citizens and units of general government received in writing or orally at the public hearing, in preparing the final Plan. A summary of these comments or views is included in the final Plan, and reasons are given for comments or views not accepted. The State makes every effort to obtain viable citizen input when program amendments are made which substantially impact the program, and in such cases a public hearing is held and notices are given through the nonlegal section of one or more newspapers of general circulation. Two weeks notice is given for a public hearing and a 30-day comment period is also provided. The State, again, considers all comments or views and gives reasons for those views that were not accepted, and a summary is attached to the final amendment. Citizens, public agencies, and other interested parties are allowed to have access to public information, documents, and records during regularly-scheduled working hours of the agencies administering the affected programs. The State will also provide a substantive written response to every written complaint concerning the Consolidated Plan, the Citizen Participation Plan, any Amendments, and the CAPER/Performance Reports within 15 working days where practicable.

These processes were also utilized as strategies for community outreach when ADECA developed Alabama's "Analysis of Impediments to Fair Housing Choice" in 2014, and were used to understand, determine, and address the priority needs for fair and affordable housing, removal of barriers to fair housing infrastructure, non-housing community development, and access to social and supportive services within communities. The methodology utilized interviews, focus group sessions, and consultations with stakeholder and advocacy groups, service agency personnel, state and local government officials and employees, and the general public. The interviews, sessions and consultations focused on the current status of Alabama's community development through HUD's grant programs' service delivery, the effectiveness of the programs' delivery systems in addressing targeted client needs, any gaps in service levels, and any needs to address such gaps. The interviews, sessions and consultations also put forth what best practices should be used in program implementation and enforcement, development of current and future opportunities for centralizing citizen outreach and education programs, and data sharing needs and capabilities – all as a means to determine the needs of Alabama's non-entitlement communities and their residents.

Demographic data, designated by zip code and census tract, were also researched and analyzed in this process. The data and conclusions collected from the process, particularly regarding impediments and remedial actions, were then used to develop the recommendations contained in this Plan.

ADECA made numerous attempts at inclusiveness with many individuals and groups who are interested in the issues of fair housing choice, community needs, and economic and community development. These efforts involved (1) formulating, publishing (in paper, electronic/email, and website link formats), and tabulating (by hand and electronically) the responses to two surveys (termed the “Fair Housing Choice Survey” and the “Community Needs Survey”) that solicited input from State agencies and local public sector, private sector, and non-profit entities during June-August 2014; (2) forming two outreach committees (termed the “Regional Planning Commissions Outreach Committee” and the “Public Housing Authorities Outreach Committee”) and hosting monthly information-sharing webinars with each committee during September-December 2014 that collected committee members’ opinions; (3) forming three focus groups (termed the “Real Estate Sales Professionals Focus Group,” the “Real Estate Rentals Professionals Focus Group,” and the “Local Government Planning and Zoning Focus Group”) and hosting information-sharing webinars with each group in October 2014 that collected focus group members’ opinions; and (4) hosting two information-sharing public forums in November 2014 that collected opinions from the general public.

The “Fair Housing Choice Survey” and “Community Needs Survey” recipients were State-level entities including Alabama’s Attorney General’s Office of Consumer Protection, Alabama’s Department of Human Resources, Department of Education, Department of Corrections, Department of Veterans Affairs, Department of Transportation, Department of Public Health, Department of Senior Services, Department of Children’s Affairs, State Banking Department, Indian Affairs Commission, the Alabama Building Commission, and the Alabama Housing Finance Authority; the Alabama Realtor’s Association; the Alabama Homebuilders Association; the Alabama Chamber of Commerce; Alabama’s chapter of the American Institute of Architects; Alabama’s Bankers Association; and Alabama’s Community Action Association. The local-level recipients included Alabama’s mayors (through the Alabama League of Municipalities) and county commissions (through the Alabama Association of County Commissions); Alabama’s three Fair Housing Centers (Fair Housing Center of Northern Alabama, Central Alabama Fair Housing Center, and Fair Housing Center of Mobile), all of Alabama’s public housing agencies (PHAs) and the members of the Alabama Association of Housing and Redevelopment Authorities; the 12 Regional Planning Commissions; all banks operating under the jurisdiction of the Alabama State Banking Department; city and county CDBG, ESG, HOME, and HOPWA program grant administrators; advocacy groups including the Alabama Coalition for Immigrant Justice, the Hispanic Interest Coalition of Alabama, and the Southern Poverty Law Center; and faith-based groups including the Alabama Governor’s Office of Faith-based and Community Initiatives, local churches, the YWCA, and the Salvation Army.

The “Regional Planning Commission Outreach Committee” consisted of 19 members employed within Alabama’s 12 Regional Planning Commissions, and the “Public Housing Authority Outreach Committee” included 18 members employed within Alabama’s 144 PHAs. Both outreach committees conducted one webinar per month during September through December 2014 (on September 22, 2014; October 29 and 30, 2014; November 25, 2014; and December 18, 2014). The “Real Estate Sales Professionals Focus Group” consisted of 17 members, the “Real Estate Rentals Professionals Focus Group” consisted of 28 members, and the “Local Government

Planning and Zoning Focus Group" consisted of 23 members. Each of these focus groups participated in webinars presented on October 21, 2014. Additionally, the two public forums were conducted on November 13, 2014, hosted by ADECA in Orange Beach, Alabama, and involved 134 attendees, with 49 attending the first forum and 85 attending the second forum.

The "Analysis of Impediments to Fair Housing Choice – Draft for Public Review" was posted on ADECA's website for a 30-day public comment period that began on January 14, 2015 and that ended on March 2, 2015, via (i) a notice that was published in 4 Alabama newspapers on January 28, 2015 and (ii) a notice and the draft Analysis that was posted on ADECA's website during that 30-day period. All public comments were received by the author of the Analysis, and were included in the final version of the Analysis.

HOME: The HOME Program's Citizen Participation process is included as part of the Alabama Housing Finance Authority's (AHFA) 2016 Housing Credit Qualified Allocation Plan and 2016 HOME Action Plan. In accordance with Section 42 of the Internal Revenue Code and the HOME Regulations, notices of a 30-day public commenting period for the 2016 HOME Action Plan and 2016 Housing Credit Qualified Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers. AHFA emailed more than 1,155 notices of the draft Plans' availability to interested parties, requesting that they submit written comments regarding the proposed Plans by November 6, 2015. During the designated commenting period, AHFA received written comments from 41 individuals and organizations that comprised 150 total comments. AHFA has prepared formal responses to these comments and has revised the Plans where deemed appropriate. *Please see the attached Citizen Participation Process and Significant Changes 2016 Housing Credit Qualified Allocation Plan and 2016 HOME Action Plan.* The revised Plans are available for review in their entirety on www.ahfa.com, and the comments are available for review in their entirety at http://www.ahfa.com/multifamily.aspx.

As the administrator of the Plans, AHFA's goal is to develop written criteria which provide equal access to all types of affordable housing developments, including, but not limited to: new construction, diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc., and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, AHFA's greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications will have a fair chance of competing during each cycle for funding. To that end, certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not necessarily be applicable to other types of organizations. In addition, the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards which significantly exceed AHFA's standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project's costs exceed AHFA's definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come first-served basis, and subject to the criteria and requirements of the applicable Plan and the AHFA Multifamily Housing Revenue Bond Policy.

ESG: The ESG Program is administered by ADECA, and it follows the ADECA CDBG Program's Citizen Participation process stated above.

HOPWA: The HOPWA Program is administered on behalf of ADECA by AIDS Alabama, and it follows the ADECA CDBG Program's Citizen Participation process stated above.

5. Summary of Public Comments: [This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Consolidated Plan.]

CDBG: In developing this Plan, the public comments received during the public comment period for the State of Alabama's 2014-2015 "Analysis of Impediments to Fair Housing Choice" – from January 14, 2015 through March 2, 2015 – and throughout the AI's development process, include the following:

1. The government banking and housing officials should look at bank loan denial rates when studying the "loan value versus the loan applicant's income levels" in that since the 2008 recession, banks and mortgage lenders are processing loans to people with A+ credit ratings and in amounts that only exceed $75,000 because to process loans in lesser amounts and/or for persons with lower credit scores is not worth their time/effort as such loans are not profitable to those financial institutions.
2. Banks are now more consolidated with centralized operations, and local decisions by local bankers at the local level are no longer being made because the centralized bank makes those decisions by looking at other factors when deciding to approve a mortgage, and this is not racially discriminatory but is a financial decision by a business bank based on the creditworthiness of the loan applicant.
3. The housing rental market experiences far more fair housing law violations than does the housing sales and purchase market, but renters do not have knowledge of how fair housing laws can provide opportunities for them as well as protect and assist them with discrimination and fair housing issues they encounter, including tenant application approval and deposit requirements, acceptance of Section 8 assistance, providing housing in different types of buildings that are or are not be livable structures, and timely responding to requests for facility repairs.
4. NIMBYism exists, particularly regarding persons with mental illness who reside in temporary or permanent housing units or group homes located away from their families and that do not promote independent living environments, and housing providers who are less inclined to accommodate mentally-challenged prospective tenants who desire to live outside of supervised settings, so strategies involving property managers should be developed and implemented to assist with housing these special needs populations in neighborhoods that provide better independent living conditions for them.
5. Cheaper and less well-constructed housing (that includes mobile homes and personal trailers) is placed in locations where spot-zoning has occurred, and these re-zoned areas tend to be at odds with a neighborhood's allowed housing types, leading to cheaper housing that benefits the re-zoned area's residents but is detrimental to the general neighborhood's residents.
6. Although the surveys requested information on whether or not housing complaints had been filed within the responding localities, very few survey responses indicated that any such complaints were filed, and from this a conclusion could be drawn that just because there were not a lot of housing complaints reported within the localities does not mean that there is a "cover up" underfoot by the locality to ensure that such complaints go unrecorded/unheeded.

7. Local people who are in-need are being assisted by agencies within their communities – such as tribal organizations taking care of local tribal residents, but such agencies are not "government agencies" and often do not get the credit for providing that assistance.

8. The surveys' questions could have been misinterpreted or misunderstood by the variety of people responding to the surveys, and this could be one reason why unexpected and unexplainable survey responses were received;

9. Small towns deal with specific problems but do not deal with overall major policies (such as housing discrimination) because they cannot keep up with all of the laws and changes thereto, but that is where the work of the Regional Planning Commissions can serve those small communities – by being a vehicle for such education and outreach.

10. There are so many unfunded mandates with which local governments must comply, and the costs of studies and compliance far outweigh the amount of funds available, yet money must be spent to make the compliance work, so HUD should provide the funds required for communities to comply with such mandates.

11. In May 2012, Alabama Act 2012-384 became law. Known as the Alabama Housing Trust Fund law, it targets investments in housing for working families, seniors, persons with disabilities, victims of domestic violence, veterans, the homeless, persons with HIV/AIDS, and households living at or below 60% of the area's median income. The law requires that at least half of the law's funding must be allocated to households at or below 30% of the area's median income, that at least 40% of the funding is to serve households in rural communities, and establishes a preference for funding awards to nonprofit developers. ADECA is the administrator of the Fund, which includes managing and distributing funds, developing and publicizing criteria for funds to be awarded, awarding funds through a competitive process, and publishing periodic housing needs assessments and annual reports on Fund investments. Applicants eligible for Fund awards include for-profit and non-profit developers, municipalities, counties, and public housing authorities. Funds can be spent on the development, rehabilitation, and maintenance of rental and ownership housing. An advisory committee composed of 16 appointed members is to advise ADECA on implementing and administering the Trust Fund and reviewing policies, procedures, fund-awarding processes, fund operations, and performance reports. The Committee's members are to be selected by the Speaker of the House, Senate President, Lieutenant Governor, Alabama's Association of Habitat Affiliates, the Low Income Housing Coalition of Alabama, the Community Action Association of Alabama, the Alabama Alliance to End Homelessness, the Alabama Department of Mental Health, the Alabama Association of Realtors, the Governor's Statewide Interagency Council on Homelessness, Alabama's Homebuilders Association, Independent Living Centers of Alabama, Alabama's Council for Affordable and Rural Housing, the Alabama Bankers Association, the Alabama Manufactured Housing Association, and one Alabama resident earning an income at or below 60% of the area's median income. Although this law was passed in 2012, the Legislature has never appropriated funds for the Trust Fund; thus the efforts put forth to make effective the law's intent have been financially curtailed.

12. The HUD-provided data on Alabama's home mortgage lending rates from 2004 to 2014 could yield the conclusion that banking approval or denial of loans to loan applicants is based on the applicant's race and gender, but instead, the results should be stated that loan denials are based on each loan applicant's credit rating, ability to repay the home loan amount borrowed, and ability to obtain insurance on the home sought to be purchased with the loan proceeds, and such realistic conclusion could have been drawn if explanatory information was collected from personal interviews with bankers/housing providers/consumer advocates and personal researcher visits

made to localities experiencing these loan denial rates - as opposed to relying solely on the HUD-provided statistics from which to draw the conclusion.

13. Regardless of race, gender, or other protected class category, persons seeking loans are going to patronize lending institutions that will work with them based on their credit rating score, income, and ability to repay the loan amount, and that if a loan applicant does not have the type of “good credit” history sought by chartered lending institutions, then there are other lending institutions that will work with those loan applicants who are not in possession of good credit histories, but they will do so using loan repayment terms that reflect the credit rating/status of the loan applicant rather than the loan applicant’s race, gender, or other protected class category – as that is the nature of the banking/loan business.

14. Some home loan seekers lack ability to obtain funds from a bank for the purchase of a factory-built “mobile home” compared with their ability to obtain funds from a bank for the purchase of a site-built “brick and mortar home,” as banks tend not to provide loans for mobile home purchases due to the “mobile” and “depreciation” factors related to that type of home.

15. The federal Community Reinvestment Act (CRA) encourages lenders to work with borrowers in all segments of the community – including those in low and moderate-income neighborhoods – to reduce predatory lending practices affecting those neighborhoods, but it is unclear if any federal regulatory agency tasked with examining banks for their CRA compliance is actually calling-out the banks for CRA compliance.

16. The total number of Alabama’s rental housing complaints filed with HUD from 2004 through 2014 (961 complaints), when compared to those deemed valid complaints (142 complaints), indicated that most were based on disability access (78 complaints) rather than race discrimination.

17. The three fair housing organizations operating in Alabama (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Center for Fair Housing in Mobile) are tasked with conducting educational outreach to individuals most likely to experience housing discrimination, conducting training for housing professionals, investigating complaints, filing administrative actions with HUD, filing court actions, and mediating disputes on behalf of individual complainants; however, those three centers do not appear to be doing this advocacy work within Alabama’s non-entitlement areas.

18. Data collected from responses to ADECA’s “Impediments to Fair Housing Choice Survey” on the question of awareness of fair housing complaints within communities call into question whether the “lack of knowledge or understanding regarding fair housing” and the “lack of knowledge in how to file a housing complaint” are actually impediments to fair housing choice, because residents already are informed as to whom they can make their complaints known.

19. Family members in Alabama tend to live near each other, and poverty also tends to be concentrated in certain areas, but when these statistics are mapped, the results appear as the “clustering” of races and of undocumented residents in certain areas.

20. Certain areas of Alabama do have organized leadership in civil rights enforcement, and such leadership is used as a resource to address fair housing issues in those locations.

21. The steady closure of companies over the past decades resulted in a lack of jobs, an increase in the poverty rate, and hampered economic development efforts, but the localities are in need of help bringing jobs to their areas and in complying with government mandates, and these are the biggest impediments to fair housing choice; thus, it is not the lack of interest or knowledge in affirmatively furthering fair housing on the part of those smaller jurisdictions, it is their need for help in complying with the government’s mandates.

Following these points of community engagement, a public hearing for the 2015-2019 Five Year Consolidated Plan was conducted at ADECA's headquarters office on February 27, 2015, wherein attendees were notified of the public hearing via advertisements published in the print editions and online/electronic editions of four newspapers on February 11, 2015, as well as a notice posted on the ADECA website at www.adeca.alabama.gov, and email/electronic notification sent from ADECA, AHFA, and AIDS Alabama to their clientele, local governments, grant administrators, and other interested parties/members of the public. In response, forty (40) persons attended that February 27, 2015 public hearing, and no comments were received concerning the CDBG Program.

Also, a public hearing for the PY2016 One Year Annual Action Plan was conducted at ADECA's headquarters office on March 15, 2016, wherein attendees were notified of the public hearing via advertisements published in the print editions and online/electronic editions of four newspapers on February 24, 2016, as well as a notice posted on the ADECA website at www.adeca.alabama.gov, and email/electronic notification sent from ADECA, AHFA, and AIDS Alabama to their clientele, local governments, grant administrators, and other interested parties/members of the public. In response, forty-eight (48) persons attended that March 15, 2016 public hearing, and four (4) public comments were received concerning the CDBG Program. The public comments received during the March 15, 2016-April 14, 2016 public comment period for this PY2016 One-Year Annual Action Plan include the following:

1. The Central Alabama Regional Planning and Development Commission in Montgomery, Alabama (CARPDC), Morton & Associates in Albertville, Alabama, Community Consultants, Inc. in Huntsville, Alabama, and Grant Management, LLC in Spanish Fort, Alabama, all commented on suggestions discussed at the March 15, 2016 public hearing concerning bonus points being awarded to communities' grant application scores (during the CDBG grant application grading and scoring phase of ADECA's grant administration process) if/when those communities have not been awarded CDBG grant funds for three consecutive years. Comments included:

(1) whether or not the three-year time period should be changed to a two-year time period;

(2) whether the three-year time period should apply to only the "community" or to only the "activity/activities" for which the community was applying for grant funds;

(3) recognition/acknowledgement that a community's priorities can change over the course of several years, so the community's requests/needs for CDBG grant funds could also change depending on the community's changed priorities, and such changed priorities should not be penalized when ADECA is applying bonus points to the community's grant application grade/score;

(4) whether ADECA's grant funding focus should be targeted on awarding funds primarily to those communities' projects that are receiving bonus points added to their scores, as that would give the appearance that ADECA is rewarding communities for never getting their projects funded; and

(5) there is a question of what date would such scoring changes become effective if they are adopted by ADECA, as such changes would be good to know up to one year in advance of their effective date so that communities (grant administrators' clients) could be informed well ahead of that time.

2. Comments at the March 15, 2016 public hearing also concerned ADECA possibly reducing the grant ceiling amount, in that ADECA expends all of its annual CDBG grant funds on communities requesting up to a maximum of $350,000 and $450,000 for their project activities, so

by reducing the grant ceiling amount (of $350,000 or $450,000) to a lower amount, ADECA could fund more communities' projects. Comments included:

(1) whether such action by ADECA would make it difficult for grant applicants to compute the ratio of grant funds requested to the number of low-income and moderate-income beneficiaries per project activity;

(2) whether communities would receive extra scoring points on their grant applications if they were to reduce the amount of CDBG funds they were requesting for their project activities, so that not maximizing the grant amount requested would be an incentive for communities to apply for fewer funds - as they would be more likely to get their grant applications approved to receive funding; and

(3) the idea that if the grant ceiling could be lowered, then ADECA could move grant funds from one category (such as the Large City fund) to another category (such as the County Fund), thus allowing ADECA to approve more grant applications each year; however, such practice might work better for large cities that have more local funds to expend on cash match on their project activities, but it would hurt the counties and small cities that do not have available cash to use as matching funds on project activities for which they were requesting from the "lowered grant ceiling" funding categories.

3. Comments at the March 15, 2016 public hearing also concerned communities that currently have "open grant projects" with ADECA not being eligible to apply for subsequent grant funds unless and until their current grant projects are closed out. Comments included:

(1) because such communities with "open grants" currently cannot apply to ADECA for grant funds (thus rendering them ineligible for subsequent years of funding until their current grant projects are closed), ADECA's "eligible community" requirement could be modified so that all communities receiving grant funds would be eligible to submit grant applications for those funds only every third year; and

(2) such eligibility modification could result in financially punishing those communities who are currently administering larger projects/activities - that take a longer amount of time to complete and closeout, as well as financially punishing the grant administrators - who are taking a longer time to finish work on such large activities/projects.

4. The South Central Alabama Development Commission (SCADC) also submitted written comments on the suggestions discussed at the March 15, 2016 public hearing concerning (1) bonus points being awarded at the CDBG grant application phase of the proceedings, in that bonus points should be awarded on the third submission of a grant application rather than on the applicant's fourth submission of an application that did not receive funding. Whether the application is the same project submitted three times or three different projects submitted three times by the same applicant does not matter to SCADC. Both should be eligible for the additional points. Also, (2) SCADC is not in favor of giving bonus points (or at least not 10 [5 maybe] as mentioned at the public hearing) for municipalities/counties who have never received a CDBG grant. (3) Third, SCADC is not in favor of limiting an applicant to a three-year-cycle of applying for grant funds, because SCADC is very proud of those awarded grant projects that are closed out in one or two years following the grant award. For example, Bullock County was awarded a grant in PY2015, and that project is now closed and was able to closeout in less than one year from the grant award date. So, Bullock County should not be penalized for opening and closing that grant so quickly. (4) Fourth, SCADC is in favor of municipalities/counties receiving bonus points for requesting less than the maximum amount if grant funds in any funding category. The suggestion of "1 point scored for every $5,000 in grant funds requested" was one suggestion made at the public hearing,

and SCADC concurs with that suggestion; however, it should have a point limit, such as not more than five points given for those grant applications that are allowed to receive bonus points. In response to these comments, ADECA informed the commenters that all submitted comments will be taken into consideration prior to the final submission of the Plan to the U.S. Department of Housing and Urban Development.

HOME: The AHFA conducted its public hearing on the HOME Program on October 7, 2015. The 2016 HOME Action Plan and the associated public comments are attached hereto at **Attachments 4 and 5**. The AHFA's staff also attended the CDBG, ESG, and HOPWA public hearing on March 15, 2016, and participated as a presenter there.

ESG: The ESG Program followed the same format stated above for the CDBG Program. In response, forty-eight (48) persons attended the March 15, 2016 public hearing, and no comments were received concerning the ESG Program.

HOPWA: The HOPWA Program followed the same format stated above for the CDBG Program. In response, forty-eight (48) persons attended the March 15, 2016 public hearing, and no comments were received concerning the HOPWA Program.

6. Summary of comments or views not accepted and the reasons for not accepting them:

All public comments and views made known to ADECA, AHFA, and AIDS Alabama were received, viewed, and accepted. None of the comments were not accepted by ADECA, AHFA, and AIDS Alabama during these public comment processes.

7. Summary:

This Plan is derived from input collected via several avenues that included (i) Alabama's 2014-2015 "Analysis of Impediments to Fair Housing Choice" encompassing the State's non-entitlement areas (those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile), (ii) responses to surveys conducted statewide on the topics of community needs and fair housing choice (for the 2014-2015 "Analysis of Impediments to Fair Housing Choice"), and (iii) public comments that were received throughout this PY2016 One-Year Annual Action Plan's research process. Such comments were solicited from - and were received from - elected officials in counties, large cities, and small cities (including mayors, county commissioners, probate judges, etc.), local government planning and zoning personnel, regional planning commission staff, public housing authorities, real estate sales and rentals professionals, nonprofit organizations, bankers, community residents, State agencies, private consultants, and continuum of care staff.

PR-05 Lead & Responsible Agencies [see 24 CFR 91.300(b)]

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source:

Agency Role	Name	Department/Agency
Lead Agency	Alabama	Alabama Department of Economic and Community Affairs (ADECA), Community and Economic Development Division (CED Division)
CDBG Administrator	Mr. Shabbir A. Olia	ADECA, CED Division
HOPWA Administrator	Ms. Kathie Hiers	AIDS Alabama
HOME Administrator	Mr. Gary Donegan	Alabama Housing Finance Authority
ESG Administrator	Ms. Shonda H. Gray	ADECA, CED Division

2. Narrative (optional):

CDBG: The Alabama Department of Economic and Community Affairs (ADECA) is Alabama's lead State agency that is responsible for preparing the Five-Year Consolidated Plan. ADECA is also the State agency responsible for administering the Community Development Block Grant (CDBG) Program and the Emergency Solutions Grant (ESG) Program within Alabama. ADECA was created by a 1983 act of the Legislature (Alabama Act #83-194) and consolidated numerous agencies into a single department to streamline and professionalize the management of many federally-funded programs administered by the State so as to ensure that strict federal requirements for comprehensive monitoring, reporting, and auditing were implemented. ADECA's enabling legislation is codified in the Code of Alabama at Title 41, Chapter 23, and ADECA's duties are delineated therein to function as an arm of the Governor's Office. ADECA's Director is a member of the Governor's Cabinet and serves at the pleasure of the Governor. A ten-member Legislative Oversight Committee monitors and evaluates ADECA's operations and recommends to the Legislature the enactment of additional laws relating to ADECA. ADECA is responsible for administering a broad range of state and federal programs that contribute to the department's mission of building better Alabama communities by distributing millions of dollars to cities, counties, non-profit organizations, and others. ADECA's grant activity supports economic development projects, infrastructure improvements, job training, energy conservation, law enforcement, traffic safety, recreation development, and assistance to low-income families; it monitors and protects water resources, and distributes state and federal surplus property to local governments and qualified organizations. ADECA's programs benefit businesses, local governments, schools, non-profit organizations, children, the elderly, victims of crime and abuse, the disadvantaged and poor, and the unemployed.

HOME: The Alabama Housing Finance Authority (AHFA) is the State entity responsible for administration of the HOME Investment Partnerships Program. AHFA was established by a 1980 act of the Legislature (Alabama Act #80-585) and serves as a public corporation dedicated to creating housing opportunities for low- and moderate-income citizens in Alabama through affordable financing of safe and sanitary single-family and multi-family housing. Among many other duties, AHFA issues tax-exempt mortgage revenue bonds that provide millions of dollars in financing for first-time home buyers. AHFA is governed by a Board of Directors whose members are appointed by the Governor (who appoints one member from each of Alabama's seven congressional districts and consisting of two home builders, two real estate brokers, a lender, a mayor, a county commissioner, and a State-at-large member), the Lieutenant Governor and the Speaker of the House (each of whom appoints two members). The State's Finance Director, Treasurer, and Superintendent of Banks also serve as members, but in an ex officio role. The Board provides policy direction, authorizes bond issues and program development, and evaluates AHFA's efforts. AHFA is responsible for preparing Alabama's housing needs assessment and strategy under the HOME Program as a prerequisite for Alabama to receive federal dollars for housing. AHFA also prepares and maintains an extensive list of relevant parties from whom to make inquiries and gather information in the form of questionnaires and surveys which AHFA submits to State agencies, service providers, housing directors, and individuals. Based on the collected information and data, AHFA compiles the blueprint document for creating affordable housing across Alabama.

ESG: See the information for CDBG herein above.

HOPWA: AIDS Alabama is the State entity responsible for administering the Housing Opportunities for Persons With AIDS (HOPWA) Program. AIDS Alabama was formed in 1986 to provide HIV prevention education to the health care community. In the early 1990's, the agency received a grant from the U.S. Department of Health and Human Services to conduct a needs assessment of people living with HIV in Alabama. The results demonstrated the unmet need of affordable housing for those living with HIV/AIDS. AIDS Alabama changed its focus to housing and prevention education services. Housing for people living with HIV/AIDS is crucial, especially since 70% of all people living with the disease have experienced some form of homelessness or housing instability in their lifetimes. When stable housing is provided, people living with HIV are able to focus on receiving health care, which in turn means they can live healthy, independent lives. AIDS Alabama is a recognized leader in affordable housing for people living with HIV in Alabama, and is recognized nationally as a proactive and innovative leader in the war against the spread of HIV/AIDS. AIDS Alabama's CEO was the only southerner appointed to the Presidential Advisory Council on HIV/AIDS by President Obama in 2010 serving through 2014, and leads the agency as a powerful advocate for persons living with HIV/AIDS. In 2012, AIDS Alabama formed AIDS Alabama South, originally founded in 1987 as a grassroots organization by a small group of citizens living in Mobile, Alabama who recognized the need for resources for people living with AIDS. AIDS Alabama South is a wholly-owned subsidiary of AIDS Alabama. Today, AIDS Alabama manages over 100 units of affordable housing throughout the state.

The funding source for each of these four federal programs (CDBG, ESG, HOME, and HOPWA) is the United States Department of Housing and Urban Development (HUD).

3. Consolidated Plan Public Contact Information:

Mr. Shabbir A. Olia, Division Chief, CED Programs
Alabama Department of Economic and Community Affairs (ADECA)
Community and Economic Development Division
401 Adams Avenue; Post Office Box 5690
Montgomery, Alabama 36103-5690
Phone: 334-242-5468
Email: Shabbir.olia@adeca.alabama.gov

AP-10 Consultation [see 24 CFR 91.110, 91.300(b), 91.315(l)]

1. Introduction:

See the narrative in the sections below.

Provide a concise summary of the State's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies [see 24 CFR 91.215(l)]:

ADECA's CDBG and ESG Programs work with the Alabama Housing Finance Authority, AIDS Alabama, and local governments (cities and counties) to enhance service provisions within the bounds of the CDBG and ESG Programs. In terms of coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies, the ESG Program case managers seek to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible. Case managers will refer program participants to mainstream housing, health, mental health, education, employment, food and meal assistance, and youth programs. For the HOPWA Program, the AIDS Service Organizations (ASOs) in Alabama coordinate with the local medical, mental health, and service agencies in their respective areas to assure that services are available to all persons living with HIV/AIDS. AIDS Alabama coordinates with local public housing authorities to provide Shelter plus Care vouchers where eligible applicants present and assist in the provision of supportive services. Each ASO coordinates with and/or provides direct services for persons with substance abuse diagnosis. A number of persons living with HIV/AIDS present with a dual diagnosis, often mental health issues or substance abuse, and we provide services in coordination with other local providers as needed.

Additionally, ADECA, AHFA, and AIDS Alabama conducted information-gathering and planning activities through a community needs survey and a fair housing survey developed for Alabama's updated (2014-2015) Analysis of Impediments to Fair Housing Choice. Participants in those activities included Alabama's 144 Public Housing Authorities; 123 members of the Alabama Public Housing Authority Director's Association; 12 Regional Planning Commissions; 15 grant management firms who administer ADECA's CDBG grant projects for non-entitlement cities and counties; 154 banking and mortgage-lending institutions that are members of the Alabama Bankers Association and are chartered by the Alabama State Banking Department; all of ADECA's CDBG, ESG, HOME, and HOPWA grant funds recipients; other state agencies with whom ADECA conducts grant research work; 462 mayors and additional local government staff contacted through the Alabama League of Municipalities; 67 county commission chairmen and additional county government staff contacted through the Alabama Association of County Commissions; real estate sales agencies and rentals professionals; nonprofit organization directors; private citizens; private sector consultants; and continuum of care staff, all of whom were part of the information-gathering process. Information was also collected from ADECA conducting two public forums on "impediments to fair housing" in November 2014 in Orange Beach, Alabama, and the public hearing on the PY2015 Plan in February 2015 in Montgomery, Alabama; and from the AHFA conducting a public hearing on the 2016 HOME Action Plan in October 2015.

Also, a public hearing for the PY2016 One Year Annual Action Plan was conducted at ADECA's headquarters office on March 15, 2016, involving the CDBG, ESG, HOME, and HOPWA Programs. Further, the AHFA conducted its public hearing on the HOME Program on October 7, 2015. Public comments were accepted following each hearing.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness:

The State maintains a close working relationship with the continuum of care groups in its jurisdiction. ADECA staff members frequently communicate with continuum of care staff via email, phone, and formal letters. To ensure that its subrecipients maintain a relationship with the continuum of care groups, the State has incorporated into its ESG application that applicants and agencies funded through the applications must be members of the local continuum of care group. Applications are scored based on the agencies' membership and participation in the local continuum of care group. The continuum of care groups gather information on the homeless in the local area during the annual point in time homeless counts. The chronically homeless and other subpopulations of homeless persons are identified during the point in time counts. Once homeless persons are identified, they can be referred to mainstream social service or housing agencies. Case managers are available to assess the needs of homelessness individuals and persons at risk of homelessness. Once the needs are identified, the case managers make referrals for mainstream social service agencies and housing agencies in the local area.

The AIDS Service Organizations (ASOs) in Alabama coordinate with their local Continuums of Care (CoC) to provide services to homeless and chronically homeless HIV/AIDS persons in their respective service area. ASOs must coordinate with the local CoC to take advantage of funding available through the Department of Housing & Urban Development provided through the local CoC to service the homeless and chronically homeless, especially given the correlation between linkage to care for persons living with HIV/AIDS and affordable housing. The National AIDS Housing Coalition states that housing assistance is a cost effective HIV health care intervention. Each new HIV infection prevented through more stable housing saves countless life years and over $400,000 in lifetime medical costs according to the Centers for Disease Control and Prevention.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of Homeless Management Information Systems (HMIS):

The State and the continuums of care (CoC) in its jurisdiction mutually agreed to maintain the following outcomes developed in 2012 for the ESG program.

1. Determining how to allocate ESG funds for eligible activities:

a. Membership in CoC – Agencies interested in applying for ESG funding must be active, participating members of the local continuum of care.

b. Service Provision – Services provided by the interested agencies must meet an established goal of the local CoC.

c. Capacity – Interested agencies must have demonstrated their capacity to carryout ESG or similar program activities.

d. Collaboration - Interested agencies must collaborate with local agencies that serve similar target populations.

e. Coordination - Interested agencies must coordinate with other agencies that provide mainstream resources to similar target populations.

2. Developing the Performance Standards for activities funded under ESG:

a. Agencies funded with ESG funds must utilize written intake forms that clearly document eligibility for ESG assistance, and homeless status at program entry and program exit.

b. Funded agencies must report client data in HMIS, unless the agency is a victim service provider or legal service provider. In such cases, the funded agencies must report client data in a comparable database.

c. Funded agencies must set measurable targets to be accomplished throughout the life of the program.

d. Funded agencies and their respective CoC will periodically monitor program progress of all ESG-funded activities to document:

1. Impact of ESG-funded projects.
2. Number of persons served by ESG-funded projects.
3. Number of program participants obtaining mainstream benefits such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Programs, VA Health and Pension Benefits, Supplemental Security Income/Social Security Disability Insurance, and Medicaid.

3. Developing funding, policies, and procedures for the operation and administration of the HMIS *PromisSE*, a web-based data management system, serves as a multi-implementation of HMIS. Every continuum in the state, with the exception of the Homeless Care Council of Northwest Alabama, utilizes *PromisSE*. *PromisSE* is operated under a Steering Committee which consists of members of each continuum across the states of Alabama and Florida. *PromisSE* has established policies and procedures. Funding for HMIS and related activities and costs will be limited to up to five percent of the grant award to individual subrecipients.

2. Describe agencies, groups, organizations, and others who participated in the process, and describe the State's consultations with housing, social service agencies, and other entities:

#	Agency/Group/Organization	Agency/Group/Organization Type	What section of the Plan was addressed by consultation?
1	Organization Name: Alabama Department of Economic and Community Affairs (ADECA) City: Montgomery State: Alabama DUNS #: 062620604 EIN/TIN#: 63-6000619	☐ Housing ☐ Public Housing Authority (PHA) ☐ Services – Housing ☐ Services – Children ☐ Services – Elderly Persons ☐ Services – Persons with Disabilities ☐ Services – Persons with HIV/AIDS ☐ Services – Victims of Domestic Violence ☐ Services – Homeless ☐ Services – Health ☐ Services – Education ☐ Services – Employment ☐ Services – Fair Housing ☐ Services – Victims ☐ Health Agency ☐ Child Welfare Agency ☐ Publicly Funded Institution/System of Care ☐ Other Government – Federal ☑ Other Government – State ☐ Other Government – County ☐ Other Government – Local ☐ Regional Organization ☐ Planning Organization ☐ Business Leaders ☐ Civic Leaders ☐ Business & Civic Leaders ☐ Other: __________ **Optional Designation(s):** ☐ Community Development Financial Institution ☐ Foundation ☐ Grantee Department ☐ Major Employer ☐ Neighborhood Organization ☐ Private Sector Banking / Financing	☑ Housing Needs Assessment ☐ Public Housing Needs ☑ Homeless Needs – Chronically Homeless ☑ Homeless Needs – Families with Children ☑ Homeless Needs – Veterans ☑ Homeless Needs – Unaccompanied Youth ☑ Homelessness Strategy ☑ Non-Homeless Special Needs ☑ HOPWA Strategy ☑ Market Analysis ☑ Economic Development ☑ Lead-Based Paint Strategy ☑ Anti-Poverty Strategy ☑ Other: Disaster Response

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?

ADECA's CDBG and ESG Program managers, AHFA's HOME Program managers, and AIDS Alabama's HOPWA Program manager, as well as supervisory staff, individually and together consult throughout the year with their clientele (cities, counties, local government planning and zoning staff, regional planning commissions, local grant administrators, Continuums of Care, etc.) throughout the State, with public housing agencies' directors and staff, with real estate sales and rentals professionals and their representative organizations, with state and federal legislators and state agency directors, with bankers and mortgage lenders, with colleagues in other states who manage similar programs, and with nationally-recognized professional organizations (for example, the Council of State Community Development Agencies/COSCDA, and the National Realtors Association) to gather information and input so as to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies in developing this Five-Year Plan and the One-Year Annual Action Plans. Also, elsewhere in this Plan are discussions of the entities and processes that were involved in

researching, developing, and responding to the State of Alabama's 2014 "Community Needs Survey" and "Impediments to Fair Housing Choice Survey," and the 2014-2015 "Analysis of Impediments to Fair Housing Choice." Those entities are too numerous to mention in this limited space.

#	**Agency/Group/ Organization**	**Agency/Group/Organization Type**	**What section of the Plan was addressed by consultation?**
2	Organization Name: Alabama Housing Finance Authority City: Montgomery State: Alabama DUNS #: 836723106 EIN/TIN#: 63-0980480	☑ Housing ☐ Public Housing Authority (PHA) ☑ Services – Housing ☑ Services – Children ☑ Services – Elderly Persons ☑ Services – Persons with Disabilities ☐ Services – Persons with HIV/AIDS ☐ Services – Victims of Domestic Violence ☐ Services – Homeless ☐ Services – Health ☐ Services – Education ☐ Services – Employment ☑ Services – Fair Housing ☐ Services – Victims ☐ Health Agency ☐ Child Welfare Agency ☐ Publicly Funded Institution/System of Care ☐ Other Government – Federal ☐ Other Government – State ☐ Other Government – County ☐ Other Government – Local ☐ Regional Organization ☐ Planning Organization ☐ Business Leaders ☐ Civic Leaders ☐ Business & Civic Leaders ☐ Other: __________ **Optional Designation(s):** ☐ Community Development Financial Institution ☐ Foundation ☐ Grantee Department ☐ Major Employer ☐ Neighborhood Organization ☐ Private Sector Banking / Financing	☑ Housing Needs Assessment ☐ Public Housing Needs ☐ Homeless Needs – Chronically Homeless ☐ Homeless Needs – Families with Children ☐ Homeless Needs – Veterans ☐ Homeless Needs – Unaccompanied Youth ☐ Homelessness Strategy ☐ Non-Homeless Special Needs ☐ HOPWA Strategy ☐ Market Analysis ☐ Economic Development ☐ Lead-Based Paint Strategy ☐ Anti-Poverty Strategy ☐ Other: __________
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? ADECA's CDBG and ESG Program managers, AHFA's HOME Program managers, and AIDS Alabama's HOPWA Program manager, as well as supervisory staff, individually and together consult throughout the year with their clientele (cities, counties, local government planning and zoning staff, regional planning commissions, local grant administrators, Continuums of Care, etc.) throughout the State, with public housing agencies' directors and staff, with real estate sales and rentals professionals and their representative organizations, with state and federal legislators and state agency directors, with bankers and mortgage lenders, with colleagues in other states who manage similar programs, and with nationally-recognized professional			

organizations (for example, the Council of State Community Development Agencies/COSCDA, and the National Realtors Association) to gather information and input so as to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies in developing this Five-Year Plan and the One-Year Annual Action Plans. Also, elsewhere in this Plan are discussions of the entities and processes that were involved in researching, developing, and responding to the State of Alabama's 2014 "Community Needs Survey" and "Impediments to Fair Housing Choice Survey," and the 2014-2015 "Analysis of Impediments to Fair Housing Choice." Those entities are too numerous to mention in this limited space.

#	Agency/Group/ Organization	Agency/Group/Organization Type	What section of the Plan was addressed by consultation?
3	Organization Name: AIDS Alabama City: Birmingham State: Alabama DUNS #: 834432999 EIN/TIN#: 581727755	☑ Housing ☐ Public Housing Authority (PHA) ☑ Services – Housing ☐ Services – Children ☐ Services – Elderly Persons ☐ Services – Persons with Disabilities ☑ Services – Persons with HIV/AIDS ☐ Services – Victims of Domestic Violence ☑ Services – Homeless ☑ Services – Health ☑ Services – Education ☐ Services – Employment ☑ Services – Fair Housing ☐ Services – Victims ☐ Health Agency ☐ Child Welfare Agency ☐ Publicly Funded Institution/System of Care ☐ Other Government – Federal ☐ Other Government – State ☐ Other Government – County ☐ Other Government – Local ☐ Regional Organization ☐ Planning Organization ☐ Business Leaders ☐ Civic Leaders ☐ Business & Civic Leaders ☐ Other: __________ **Optional Designation(s):** ☐ Community Development Financial Institution ☐ Foundation ☐ Grantee Department ☐ Major Employer ☐ Neighborhood Organization ☐ Private Sector Banking / Financing	☑ Housing Needs Assessment ☐ Public Housing Needs ☑ Homeless Needs – Chronically Homeless ☑ Homeless Needs – Families with Children ☑ Homeless Needs – Veterans ☑ Homeless Needs – Unaccompanied Youth ☑ Homelessness Strategy ☐ Non-Homeless Special Needs ☑ HOPWA Strategy ☐ Market Analysis ☐ Economic Development ☐ Lead-Based Paint Strategy ☐ Anti-Poverty Strategy ☐ Other: __________
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? ADECA's CDBG and ESG Program managers, AHFA's HOME Program managers, and AIDS Alabama's HOPWA Program manager, as well as supervisory staff, individually and together consult throughout the year with their clientele (cities, counties,			

local government planning and zoning staff, regional planning commissions, local grant administrators, Continuums of Care, etc.) throughout the State, with public housing agencies' directors and staff, with real estate sales and rentals professionals and their representative organizations, with state and federal legislators and state agency directors, with bankers and mortgage lenders, with colleagues in other states who manage similar programs, and with nationally-recognized professional organizations (for example, the Council of State Community Development Agencies/COSCDA, and the National Realtors Association) to gather information and input so as to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies in developing this Five-Year Plan and the One-Year Annual Action Plans. Also, elsewhere in this Plan are discussions of the entities and processes that were involved in researching, developing, and responding to the State of Alabama's 2014 "Community Needs Survey" and "Impediments to Fair Housing Choice Survey," and the 2014-2015 "Analysis of Impediments to Fair Housing Choice." Those entities are too numerous to mention in this limited space.

Identify any Agency Types not consulted and provide rationale for not consulting:

ADECA has made many attempts to be inclusive of as many individuals and groups as possible in Alabama and its neighboring states who are interested in the subjects of fair housing choice, community needs, and community development, as is stated in the previous sections. If entities were not involved, the reason is because they were notified by ADECA but chose not to be involved in this Plan's development process. As described in the sections above, ADECA consulted with many entities who are in addition to its CDBG clientele seeking funds under the CDBG Program, and also contracted with a private consultant (Western Economic Services, LLC in Portland, Oregon) to conduct the State's 2014-2015 "Analysis of Impediments to Fair Housing Choice," through which research, data collection, and public outreach/public hearing processes many agency types were consulted. The AHFA consulted with its applicants seeking funds under the HOME Program. The ADECA ESG Program Manager consulted with the entities that receive funding under the ESG program. AIDS Alabama consulted with the entities whom it serves under the HOPWA Program. And Continuums of Care located across the state were also consulted by ESG and HOPWA program managers, as the ESG and HOPWA Program managers partner with the local CoCs throughout the State.

Describe other local/regional/state/federal planning efforts considered when preparing the Plan:

#	Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each Plan?	Action
1	**Continuum of Care**			

Narrative: (optional)

CDBG: ADECA relies heavily on the numerous community development providers in the state to assist in the provision of community development services via the expenditure of CDBG funds. Working relationships with cities, counties, local grant administrators, regional planning commissions, housing authorities, building commissions, real estate professionals, engineering firms, etc. are continually evolving based on the CDBG project applications that ADECA receives and selects to be awarded grant funding. Program managers and their local counterparts (administrators, engineers, construction companies, local advocates, etc.) who are involved in the implementation of community development projects (housing rehabilitation, water/sewer/road development/improvement, community enhancement services, parks and recreation areas, economic development projects, planning services, etc.) are consulted on a regular basis to determine the pertinent issues in areas most in need of addressing those issues. ADECA will continue to work with its local communities in the State's non-entitlement areas to assess and address the needs of the local communities.

HOME: In its local/regional/state/federal planning efforts to prepare the 2016 HOME Action Plan, the AHFA followed a Citizen Participation process which also included the AHFA's 2016 Housing Credit Qualified Allocation Plan. In accordance with Section 42 of the Internal Revenue Code and the HOME Regulations, notices of a 30-day public commenting period for the 2016 HOME Action Plan and 2016 Housing Credit Qualified Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers. AHFA emailed 1,155 notices of the draft Plans' availability to interested parties, requesting that they submit written comments regarding the proposed Plans by November 6, 2015. During the designated commenting period, AHFA received written comments from 41 Individuals and organizations that comprised of 150 total comments, prepared formal responses to them, and revised the Plans where deemed appropriate.

ESG: Alabama relies heavily on the numerous housing and social service providers in the state to assist in the provision of services. Working relationships vary based on the applications received and selected for funding. Program directors and others involved in the implementation of housing and social services are consulted on a regular basis to determine the greatest needs and the best way to address them. ADECA will work with all of the Continuums of Care, interested Community Action Agencies, the Alabama Alliance to End Homelessness, and other groups to assess and address the needs of homeless persons.

HOPWA: The Alabama Department of Public Health (ADPH) provided statistical input to AIDS Alabama for this plan, in that AIDS Alabama obtained supplemental information from the ADPH's 2014 HIV/AIDS Statistics, HIV and AIDS by Demographics Group, and Exposure Category and the Southern HIV/AIDS Strategy Initiative, HIV Infrastructure Study, Birmingham, AL December 2014, which state, "At the end of 2012, a total of 11,815 Alabama residents were known to be living with HIV and 4,838 (41%) had an AIDS diagnosis." Approximately 14,000 people in Alabama currently have HIV/AIDS. Recent incidence data indicate that the HIV/AIDS population is becoming less concentrated in the 25-44 age category and is extending into a broader array of race/ethnic groups. African-American males reporting sex with another male represent the majority of new HIV cases occurring among adolescents and young adults aged 15 to 29 years. The CDC estimates 18% of persons infected with HIV are unaware of their status. Applying this percentage to the prevalence suggests 14,426 Alabama residents may have been infected with HIV at the end of 2012. The State of Alabama HIV Surveillance 2012 Annual Report, completed through ADPH, states that the State of Alabama continues to experience an HIV epidemic of moderate magnitude when contrasted to the experience of other states. As of December 31, 2012, a cumulative total of 17,903 infections had been diagnosed among Alabama residents. During 2012, 661 newly-diagnosed HIV infections were reported among Alabama residents. The proportion of persons living with HIV infection increased 21% between 2008 and 2012. This trend is largely due to the introduction of effective drug treatment and therapies, which can often delay the progression from HIV to AIDS, and from AIDS to death. ADPH reports that African-Americans continue to be disproportionately affected by HIV in Alabama. African Americans comprise 26% of Alabama's population, but 68% of Alabama's newly-diagnosed HIV infections occurred in African-Americans during 2012. African-American males were 6.5 times as likely to be diagnosed with HIV as white males, while the rate of HIV in African-American females was 12.5 times that of white females. HIV rates are also increasing in Hispanics. Alabama is experiencing a downward shift in the age distribution of newly-diagnosed HIV infections as adolescents and young adults (ages 15-29) emerged as the most affected age group. While male-to-male sexual activity continues to be the predominant mode of exposure for HIV infection, heterosexual contact is the second most common mode of exposure. It is important to note that the HIV population is aging as a result of effective use of drug treatment and therapies. This trend will eventually impact the State of Alabama's ability to provide adequate medical and social services (i.e. Ryan White and Medicaid) for the aging population.

AP-12 Participation [see 24 CFR 91.115, 91.300(c)]

1. Summary of citizen participation process/Efforts made to broaden citizen participation: See the discussion below.

Summarize citizen participation process and how it impacted goal-setting:

CDBG: This Plan's citizen participation, community engagement, and public involvement process followed the first portion of ADECA's Citizen Participation Plan. This is also described herein above at Section **AP-05 Executive Summary**. Briefly, this process and these efforts are as follows:

"*Introduction: Citizen Participation is strongly encouraged in the development of all elements of the Consolidated Plan, any substantial amendments to the Plan elements, and the Performance Reports. This shall be accomplished through public hearings in times and places accessible to low and moderate-income residents and through coordination of data and people from various agencies representative of affected citizens. All materials and meetings will be accessible to persons with disabilities and persons with Limited English Proficiency, upon request, where practicable. The Plan, as well as any amendments to that plan, will be presented for review and comment in a statewide public hearing. Chief elected officials, citizens groups, and citizens will be notified by electronic mail of the hearing. The hearing will also be advertised in major newspapers of general circulation. Upon request, it will be provided in a format accessible to persons with disabilities and Limited English Proficiency.*

Development of the Consolidated Plan and Plan Elements: The State will make available to citizens, public agencies, and other interested parties information that includes the amount of assistance the State expects to receive and the range of activities that may be undertaken. This shall include the estimated amount that will benefit persons of low and moderate-income as well as plans to minimize displacement of persons and to assist any persons displaced. This will be accomplished through a statewide advertisement in the nonlegal section of one or more newspapers of general circulation. Notices will also be electronically sent to chief elected officials of local governments, state agencies, and other interested parties. The State will publish a summary of the proposed Plan in one or more newspapers of general circulation. It will also make copies of the proposed plan available on the State's website as well as at the State's office. The *summary will describe the contents and purpose of the Plan and will include a list of locations where copies of the entire proposed Plan may be examined. The State will also provide a reasonable number of free copies of the plan to citizens and groups that request it. The State will conduct at least one public hearing on housing and community development needs before the proposed Plan is published for comment. The State will publish a notice of the hearing in the nonlegal section of one or more newspapers of general circulation two weeks prior to conducting the hearing. The notice will include adequate information to permit citizen comments on housing and community development needs. The hearing will be held at a public facility accessible to persons of low and moderate-income, as well as persons with disabilities. Time will be determined based on previous attendance. The State has adopted a Language Access Plan which provides guidance for the State and its sub-grantees so that persons with Limited English Proficiency can effectively participate in, or benefit from, federally assisted programs. Persons with Limited English Proficiency will be asked to contact the State if an interpreter is needed. Should a significant number of requests result, then an interpreter will be provided. The State will receive comments on the proposed Consolidated Plan for a period of 30 days. The State will consider any comments or views of citizens and units of general government received in writing or orally at the public hearing, in preparing the final Plan. A summary of these comments or views will be included in the final Plan. Reasons will be given for comments or views not accepted.*

Amendments: The State will make every effort to obtain viable citizen input when Plan amendments are made which substantially impact the program. In such cases a public hearing will be held and Notices will be given through the nonlegal section of one or more newspapers of general circulation. Two weeks notice will be given for a public hearing and a 30 day comment period will be provided. The State will consider all comments or views and will give reasons for those not accepted. A summary will be attached to the final amendment. Substantial amendments are viewed as those which alter the Action Plan elements in one of the following ways:

1. *Add or delete funding categories;*
2. *Change evaluation criteria;*
3. *Change thresholds for eligibility;*
4. *Change grant ceilings or minimums; or*
5. *Shift money from one fund category to another so that the cumulative shift is greater than 5 percent of the State allocation, except that in the HOPWA Program budget, line item shifts may be made as long as the cumulative shift is not greater than 10 percent of the total State HOPWA allocation.*

Amendments not covered by the thresholds above may be made at the discretion of the State and notice will be given through normal programmatic communications to elected officials and other persons having an interest in HUD Action Plan programs. Further, the State may adopt other public notification methods and comment periods necessary to meet program requirements in unique circumstances, i.e., natural disasters, emergency allocations of funds, or other opportunities. Similarly, funds recaptured from current or prior program years will be directed to the Fund deemed appropriate by the State, and allocated according to the Action Plan criteria in effect at the time of the allocation."

Additionally, this Plan's citizen participation, community engagement, and public involvement process followed the second portion of ADECA's Citizen Participation Plan, which pertains to the local governments' input into the Consolidated Plan. Briefly, this is described as follows:

"*<u>Citizen Participation Requirements for Local Governments</u>: The following will serve as the State's citizen participation requirements for units of general local government receiving CDBG funds from the State in accordance with 24 CFR 570.486. The primary goal of a community's Citizen Participation Plan will be to provide all citizens of the community with an adequate opportunity to participate in an advisory role in the planning, implementation, and assessment of the community's Action Plan programs [which are then manifested in the form of CDBG applications submitted by the local governments to ADECA]. The Plan shall set forth policies and procedures for citizen participation which are designed to maximize the opportunity for citizen participation in the community development process. Special emphasis will be placed on encouraging participation by persons of low and moderate-incomes, residents of blighted neighborhoods, and residents of areas where community development funds are utilized. Citizens will be encouraged to participate in all phases of the CDBG Program(s) and will be provided full access to program information. Local officials will make every effort to involve citizens in all phases of the development, implementation and assessment of community development programs including, but not limited to the following phases:*

a. Identification and assessment of housing and community development needs;
b. Determination of CDBG projects and the development of CDBG applications;
c. Changes and/or amendments to approved CDBG projects; and
d. Assessment of CDBG program performance.

All phases of the community development process will be conducted by local officials in an open manner. Citizens of the community will be encouraged to participate at all levels and will be given access to program information during each phase of any CDBG program as outlined herein. Communities shall provide technical assistance to individual citizens and citizen groups, especially low and moderate-income groups.

Citizen participation in the community development process will be conducted on a community wide basis and will actively involve the views and proposals of all citizens, especially low and moderate-income persons and residents of areas where CDBG activities are proposed or ongoing. Public hearings will be held during all phases of the community development process to allow citizens to voice opinions and offer proposals concerning the development and performance of CDBG programs. All public hearings will be held at times and locations which will be accessible to all citizens, especially persons of low and moderate-incomes and residents of blighted neighborhoods and CDBG project areas.

Public hearings will be scheduled for convenient times as determined by the local governing body. Public hearings may be held at any site which, in the opinion of the community provides adequate access for citizens to participate.

At least one hearing shall be held during any CDBG program fiscal year prior to the submission of an application to ADECA for CDBG assistance. The primary purposes of the hearing shall be to assess community needs and problems in an effort to determine the most critical needs to be addressed by the CDBG program; and also to present, for public comment and review, the program activities which have been selected by the community to resolve the identified needs.

Citizens will be provided with information concerning the CDBG program at this hearing. Such information shall include, but not necessarily be limited to: the goals and objectives of the CDBG program; the total amount of CDBG funds available; the role of citizens in program planning, implementation, and assessment; the range of activities which may be undertaken; the process to be followed in developing an application; the application timetables; the application *rating process; the schedule of meetings and hearings; activities previously funded in the community through the CDBG program; and, an identification of projects which could result in the relocation of area residents or businesses, and the actions that would be undertaken if such relocation were necessary.*

Communities will assure the opportunity for citizen participation during the implementation of any CDBG programs when changes to the project are under consideration by the community. Citizen participation shall be obtained and considered in any amendments to a CDBG program which involves changes in dollar amounts spent on any activity, changes in program beneficiaries, changes in the location of approved activities and major budget shifts between approved activities.

To ensure adequate opportunity for citizen participation during CDBG programs, the community shall hold a public hearing on all formal amendments which require ADECA approval. For local amendments(as defined by ADECA)and changes for which ADECA approval is not required, input from citizens concerning the changes may be received at regularly scheduled local governing body meetings where such changes or amendments are considered.

Citizens of communities will be provided with the opportunity to comment on the performance of local officials, the community's staff, consultants, engineers and contractors, and the actual use of CDBG funds during the implementation of CDBG program. Citizens will also be requested to assess the performance of the community in addressing identified community development and housing needs, and to assess the performance in achieving its goals and objectives in those areas. Ongoing community assessment of the effectiveness of the process is considered essential to the success of the CDBG program.

At the conclusion of each CDBG project, a hearing will be held to review program activities and to assess program performance. This hearing shall be held prior to the submission of the PAR and any other required closeout documents to ADECA for a CDBG project. This required hearing will be used to ensure community wide participation in the evaluation of the CDBG program.

Other hearings may be held as deemed necessary by the community in order to inform citizens of community development projects and activities, and to solicit citizen opinion and comments. All additional hearings shall comply with the requirements set forth in this Plan.

Local officials will follow the guidance provided in the State's Language Access Plan to determine the need to undertake reasonable actions to facilitate the participation of persons with Limited English Proficiency in federally assisted programs. Such actions may include the provision of an interpreter when needed and provision of materials in the appropriate language or format.

Notice of public hearings will be published in a newspaper of general circulation in the locality at least seven days prior to the hearing date. The community may waive hearing notice requirements in cases where unusual circumstances justify alternative means of notifying the general public. In such cases, shorter notice may be given, and public notices posted in public places may be used in place of a notice published in a newspaper. Each notice of a hearing shall include the time, date, place and topics and procedures to be discussed. Notices for public hearings may be run or posted, separately or together, as may be deemed necessary by the governing body.

The procedures outlined herein are designed to promote participation by low and moderate-income citizens, as well as residents of blighted areas and CDBG project neighborhoods in any public hearing(s). Local officials may take additional steps to further promote participation *by such groups, or to target program information to these persons should officials feel that such people may otherwise be excluded, or should additional action be deemed necessary. Activities to promote additional participation may include: posting of notices in blighted or Limited English Proficiency neighborhoods and in places frequented by low and moderate-income persons, and holding public hearings in low and moderate-income neighborhoods or areas of existing or proposed CDBG project activities.*

The locations of all hearings as described herein shall be made accessible to persons with disabilities. Also, the community shall provide a sign language interpreter whenever the community is notified in advance that one or more deaf persons will be in attendance.

Citizens will be provided full access to CDBG program information during all phases of the project. Local officials of the community shall make a reasonable effort to assure that CDBG program information is available to all citizens, especially those of low and moderate-incomes and those in project areas.

CDBG program information and materials concerning specific projects will be available and distributed to the public at regularly scheduled hearings. Materials to be made available shall include, but are not limited to: The Citizen Participation Plan; records of hearings, mailings and promotional materials, prior CDBG program applications; letters of approval; grant agreements; the environmental review record; financial and procurement records; project design and construction specifications; performance and evaluation reports; other reports required by ADECA; proposed and approved CDBG applications for the current year or project; written comments or complaints received concerning the program, and written responses from the community; and, copies of the applicable federal and state rules, regulations, policies, requirements and procedures governing the CDBG program.

The public hearings scheduled, as described in the Plan, are designed to facilitate public participation in all phases of the community development process. Citizens are encouraged to submit their views and proposals on all aspects of a community development program at the hearings. However, to ensure that citizens are given the opportunity to assess and comment on all aspects of the community development program on a continuous basis, citizens may at any time submit written comments or complaints to the community.

Any citizen or citizens group desiring to comment or object to any phase of the planning, development, or approval of the application for CDBG funds, or to the implementation of any CDBG program, should submit such comments or objections in writing to the chief elected official. Should, after a reasonable period, a party believe that his comment or complaint has not been properly addressed or considered by the elected official, then the aggrieved party may appeal their case to the local governing body.

Local officials shall make every effort to provide written responses to citizen proposals or complaints within fifteen working days of the receipt of such comments where practicable. Should the local governing body be unable to resolve an objection or complaint, it may be forwarded by the aggrieved party to ADECA.

Citizens may, at any time, contact ADECA and HUD directly to register comments, objections or complaints concerning the community's CDBG application and program. Citizens are encouraged, however, to attempt to resolve complaints at the local level as outlined above prior to contacting ADECA or HUD.

Records of all comments, objections and/or complaints by the citizens concerning the community's CDBG program and subsequent action taken in response to those comments shall be maintained on file at the local government's office and shall be made available for public *inspection upon request.*

The communities may, from time to time, modify the provisions of their Citizen Participation Plan. It shall be the policy of the community to periodically review and discuss the effectiveness of the Plan in allowing citizen participation in the community development process and in helping to meet the community development needs and goals identified by the citizens. To this end, the effectiveness of the Plan will be discussed at the public hearings held in conjunction with the community development program as discussed herein, and potential amendments to the Plan will be reviewed at this time.

Amendments to the Plan will be made as necessary. All amendments shall be approved by resolution of the local governing body and shall be incorporated into this Plan.

Availability to the Public: The Consolidated Plan, Citizen Participation Plan and substantial amendments will be made available to the public through copies provided at regularly scheduled public hearings throughout the process. Copies will also be provided in reasonable numbers to citizens and to associations representing citizens upon request. These materials will also be made available in a format or language accessible to persons with disabilities or Limited English Proficiency upon request, where practicable.

Access to Records: Citizens, public agencies, and other interested parties may have access to public information, documents and records during regularly scheduled working hours of the agencies administering the affected programs.

Complaints: The State will provide a substantive written response to every written complaint concerning the Consolidated Plan, Citizen Participation Plan, Amendments, and Performance Reports within fifteen working days where practicable."

These Citizen Participation Plan procedures were followed to impact this Plan's goal-setting process. Additional goal-setting input was obtained via ADECA's 2014-2015 "Analysis of Impediments to Fair Housing Choice," as described in the sections herein above, and the "Community Needs Survey" and "Impediments to Fair Housing Choice Survey" that were conducted by ADECA in June-August 2014. All of these processes were utilized to gather input from a broad swath of people and communities in Alabama and surrounding states, and such input was utilized to set the goals contained in this Plan.

HOME: The HOME Plan's citizen participation, community engagement, and public involvement process followed the AHFA's Citizen Participation Plan, which is as follows:

"***CITIZEN PARTICIPATION PROCESS AND SIGNIFICANT CHANGES***

"***CITIZEN PARTICIPATION PROCESS AND SIGNIFICANT CHANGES***

2016 HOUSING CREDIT QUALIFIED ALLOCATION PLAN AND

2016 HOME ACTION PLAN:

In accordance with Section 42 of the Internal Revenue Code and the HOME Regulations, notices of a 30-day public commenting period for the 2016 HOME Action Plan and 2016 Housing Credit Qualified Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers. The Alabama Housing Finance Authority (AHFA) emailed 1,155 notices of the draft Plans' availability to interested parties, requesting that they submit written comments regarding the proposed Plans by November 6, 2015. During the designated commenting period, AHFA received written comments from 41 individuals and organizations that comprised 150 total written comments. AHFA prepared formal responses to these comments and revised the Plans where deemed appropriate. Please see the attached Citizen Participation Summary of

Substantial Comments Received and Responses by AHFA. The revised and Board approved Plans are available for review in their entirety on www.ahfa.com, and the comments are available for review in their entirety at http://www.ahfa.com/multifamily.aspx.

AHFA wishes to thank the many individuals and organizations who provided comments during the commenting period. As the administrator of the Plans, AHFA's goal is to develop written criteria for the Plans which provide equal access to all types of affordable housing developments, including, but are not limited to: various construction types (new construction; acquisition and rehabilitation; adaptive reuse, etc.); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, our greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding.

To that end, please keep in mind that certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, please consider that the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards that significantly exceed AHFA standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project's costs exceed AHFA's definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come, first served basis, and subject to the criteria and requirements of the applicable Plan."

ESG: The ESG Plan's citizen participation, community engagement, and public involvement process followed the first portion of ADECA's Citizen Participation Plan.

HOPWA: The HOPWA Plan's citizen participation, community engagement, and public involvement process followed the first portion of ADECA's Citizen Participation Plan.

Citizen Participation Outreach:

#	Mode of Outreach:	Target of Outreach:
1	☐ Public Meeting ☑ Public Hearing ☐ Newspaper Ad ☐ Internet Outreach ☐ Other: ______________________	☐ Minorities ☐ Non-English Speaking (specify other language = __________________) ☐ Persons with Disabilities ☑ Non-targeted/broad community ☐ Residents of Public and Assisted Housing ☐ Other: ______________________
Summary of response/attendance		For the CDBG, ESG, and HOPWA Programs, following these points of community engagement, a public hearing for the 2015-2019 Five-Year Consolidated Plan was conducted at ADECA's headquarters office on February 27, 2015. Attendees were notified of the public hearing via advertisements published in the print editions and online/electronic editions of four newspapers on February 11, 2015, as well as a notice posted on the ADECA website at www.adeca.alabama.gov, and email/electronic notification sent from ADECA, AHFA, and AIDS Alabama to their clientele, local governments, grant administrators, other interested parties, and members of the public. In response, forty (40) persons attended the February 2015 public hearing. For the PY2016 One-Year Annual Action Plan, a public hearing for this PY2016 Plan was conducted at ADECA's headquarters office on March 15, 2016. Attendees were notified of the public hearing via advertisements published in the print editions and online/electronic editions of four newspapers on February 24, 2016, as well as a notice posted on the ADECA website at www.adeca.alabama.gov, and email/electronic notification sent from ADECA, AHFA, and AIDS Alabama to their clientele, local governments, grant administrators, other interested parties, and members of the public. In response, forty-eight (48) persons attended the March 15, 2016 public hearing.
Summary of Comments Received		The comments received concerning the CDBG, ESG, and HOPWA Programs are discussed herein above in Section **AP-05 Executive Summary** at **5. Summary of Public Comments**.
Summary of comments not accepted and reasons		Not applicable, as zero comments were received concerning the CDBG, ESG, and HOPWA Programs.
URL if applicable		

#	Mode of Outreach:	Target of Outreach:
2	☐ Public Meeting ☑ Public Hearing ☐ Newspaper Ad ☐ Internet Outreach ☐ Other: _______________________	☐ Minorities ☐ Non-English Speaking (specify other language = __________________) ☐ Persons with Disabilities ☑ Non-targeted/broad community ☐ Residents of Public and Assisted Housing ☐ Other: _______________________
Summary of response/attendance		For the HOME Program, the AHFA conducted its public hearing on the HOME Action Plan on October 7, 2015. The AHFA's staff also attended the CDBG, ESG, and HOPWA public hearing in March 2016, and participated as a presenter during that hearing.
Summary of Comments Received		The comments received concerning the HOME Program are discussed herein above in Section **AP-05 Executive Summary** at **5. Summary of Public Comments**. Also, for the HOME Program, the comments from the HOME Action Plan's October 7, 2015 public hearing are attached hereto under Section AD-25 Administration of the Consolidated Plan, at Attachments - Citizen Comments, in the document entitled "Citizen Participation Process and Significant Changes 2016 Housing Credit Qualified Action Plan and 2016 HOME Action Plan."
Summary of comments not accepted and reasons		See the comments from the HOME Action Plan public hearing on October 7, 2015 which are attached hereto under Section AD-25 Administration of the Consolidated Plan, at Attachments - Citizen Participation Comments, in the document entitled "Citizen Participation Process and Significant Changes 2016 Housing Credit Qualified Action Plan and 2016 HOME Action Plan."
URL if applicable		

STRATEGIC PLAN

SP-10 Geographic Priorities [see 24 CFR 91.315(a)(1)]

Geographic Area

Geographic Area				
Sort #	**Area Name**	**Area Type**	**Include**	**Action**
1	CDBG: Alabama's non-entitlement eligible communities	Units of local government	☑	
2	HOME: Alabama statewide	Not applicable	☑	
3	ESG: Alabama statewide	Not applicable	☑	
4	HOPWA: Alabama statewide	Not applicable	☑	

General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama:

CDBG: The CDBG Program's general allocation priorities are as follows. The CDBG Program's funds may only be expended in the State of Alabama's non-entitlement communities. These non-entitlements are those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. All eligible non-entitlement communities may apply for CDBG funds, and compete for these funds in 6 funding categories: (1) the County Fund, (2) the Large City Fund - for cities with a population of 3,001 or more per the most recent U.S. Census, (3) the Small City Fund - for cities with a population of 3,000 or less per the most recent U.S. Census, (4) the Community Enhancement Fund, (5) the Planning Fund, and (6) the Economic Development Fund. The remaining CDBG funds are set aside for (7) the State's Grant Administration allocation, and (8) the State's Technical Assistance allocation. Additional categories can include funds for Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects.

HOME: The HOME Program's general allocation priorities are as follows. For the HOME Program, the State will conduct an annual competitive funding cycle for HOME funds. As required by HOME regulations, AHFA, as administrators of the State of Alabama HOME Program, will develop selection criteria to determine housing priorities for the State. The selection criteria includes ranking each project in accordance with its location with an effort to limit awards to one per county annually, fulfillment of housing needs, project and applicant characteristics, and participation of local tax-exempt organizations. AHFA also utilizes an evaluation process whereby preference is given to projects which serve 1) the lowest-income tenants and 2) qualified tenants for the longest periods. Lastly, AHFA develops compliance monitoring procedures to test for compliance with HOME regulations and for notifying HUD of noncompliance. Each year, the HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain priorities to be used in the distribution of HOME funds. At this time, AHFA seeks to promote the following housing priorities in the allocation cycles for 2016 and through 2019:

- Projects that add to the affordable housing stock;
- Projects, which, without HOME funds, would likely not set aside units for lower income tenants, inclusive of tenants with disabilities and/or those who are homeless;
- Projects which use additional assistance through federal, state, or local subsidies; and
- Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

ESG: The ESG Program's general allocation priorities are as follows. The ESG Program may provide funding assistance to all areas of the State of Alabama.

HOPWA: The HOPWA Program's general allocation priorities are as follows. AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

Geographic Area:

Identify the neighborhood boundaries for this target area:

CDBG: The CDBG Program's geographic area is as follows. See the CDBG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, the CDBG Program makes its grant funding available to the non-entitlement areas of the State of Alabama, which are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. Additional funds can be allocated for Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects.

HOME: The HOME Program's geographic area is as follows. See the HOME response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, each year, the HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities.

ESG: The ESG Program's geographic area is as follows. See the ESG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, the ESG Program may provide funding assistance to all areas of the State of Alabama. There is no identified target area.

HOPWA: The HOPWA Program's geographic area is as follows. See the HOPWA response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

Include specific housing and commercial characteristics of this target area:

CDBG: See the CDBG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, the CDBG Program makes its grant funding available to the non-entitlement areas of the State of Alabama. The non-entitlement areas are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. These communities may apply for CDBG funds to expend on a variety of activities which may include: (1) new, rehabilitated, or larger water lines, (2) new, rehabilitated, or larger sewer lines, (3) new or rehabilitated water tanks, (4) new streets and roads, or repaving of current streets and roads, (5) flood and drainage control, (6) housing rehabilitation, (7) construction of senior centers, communities, and parks, (8) demolition of structures in slum/blighted areas, (9) acquisition of areas to assist with specific project development, (10) planning studies for local communities or portions of communities (such as a downtown revitalization plan), and (11) economic development activities to assist in attracting/locating new businesses and jobs or to retain existing businesses and jobs within communities. Additional categories of funds can include Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects. Each local community applicant for CDBG funds must provide to ADECA information in its respective application that identifies and assesses the needs of its target area, to include needs for housing, water services, sewer services, streets, and flood and drainage control.

HOME: See the HOME response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, each year, the HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities.

ESG: See the ESG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, the ESG Program may provide funding assistance to all areas of the State of Alabama. There is no identified target area.

HOPWA: See the HOPWA response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

How did your consultation and citizen participation process help you to identify this neighborhood as a target area?

CDBG: See the CDBG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, the CDBG Program makes its grant funding available to the non-entitlement areas of the State of Alabama, which are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. Additional categories of funds can include Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects. These communities, their elected officials / representatives / staff members, grant administrators, and the general public are invited to attend an annual public hearing that is conducted by ADECA as a means for those interested parties to become informed about ADECA's CDBG grant process and annual funding allocation from HUD. ADECA's PY2016 annual public hearing was conducted on March 15, 2016 at ADECA's headquarters building located in Montgomery, Alabama, and included representatives from ADECA to provide information on the CDBG and ESG Programs, the Alabama Housing Finance Authority to provide information on the HOME Partnerships Program, and AIDS Alabama to provide information on the HOPWA Program. Each local community applicant for CDBG funds must provide to ADECA information in its respective application that identifies and assesses the needs of its target area, to include needs for housing, water services, sewer services, streets, and flood and drainage control.

HOME: See the HOME response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, each year, the HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities.

Further, all of Alabama's communities, their elected officials / representatives / staff members, grant administrators, and the general public are invited to attend an annual public hearing that is conducted by ADECA as a means for those interested parties to become informed about the Alabama Housing Finance Authority's HOME Program. ADECA's PY2016 annual public hearing was conducted on March 15, 2016 at ADECA's headquarters building located in Montgomery, Alabama, and included representatives from ADECA to provide information on the CDBG and ESG Programs, the Alabama Housing Finance Authority to provide information on the HOME Partnerships Program, and AIDS Alabama to provide information on the HOPWA Program.

ESG: See the ESG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, the ESG Program may provide funding assistance to all areas of the State of Alabama. There is no identified target area. Further, all of Alabama's communities, their elected officials / representatives / staff members, grant administrators, and the general public are invited to attend an annual public hearing that is conducted by ADECA as a means for those interested parties to become informed about ADECA's ESG Program. ADECA's PY2016 annual public hearing was conducted on March 15, 2016 at ADECA's headquarters building located in Montgomery, Alabama, and included representatives from ADECA to provide information on the CDBG and ESG Programs, the Alabama Housing Finance Authority to provide information on the HOME Partnerships Program, and AIDS Alabama to provide information on the HOPWA Program.

HOPWA: See the HOPWA response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

Further, all of Alabama's communities, their elected officials / representatives / staff members, grant administrators, and the general public are invited to attend an annual public hearing that is conducted by ADECA as a means for those interested parties to become informed about Alabama's HOPWA Program. ADECA's PY2016 annual public hearing was conducted on March 15, 2016 at ADECA's headquarters building located in Montgomery, Alabama, and included representatives from ADECA to provide information on the CDBG and ESG Programs, the Alabama Housing Finance Authority to provide information on the HOME Partnerships Program, and AIDS Alabama to provide information on the HOPWA Program.

Identify the needs of this target area:

CDBG: See the CDBG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, the CDBG Program makes its grant funding available to the non-entitlement areas of the State of Alabama. The non-entitlement areas are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. Additional categories of funds can include Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects. These communities may apply for CDBG funds to expend on a variety of activities which may include: (1) new, rehabilitated, or larger water lines, (2) new, rehabilitated, or larger sewer lines, (3) new or rehabilitated water tanks, (4) new streets and roads, or repaving of current streets and roads, (5) flood and drainage control, (6) housing rehabilitation, (7) construction of senior centers, communities, and parks, (8) demolition of structures in slum/blighted areas, (9) acquisition of areas to assist with specific project development, (10) planning studies for local communities or portions of communities (such as a downtown revitalization plan), and (11) economic development activities to assist in attracting/locating new businesses and jobs or to retain existing businesses and jobs within communities. Each local community applicant for CDBG funds must provide to ADECA information in its respective application that identifies and assesses the needs of its target area, to include needs for housing, water services, sewer services, streets, and flood and drainage control.

HOME: See the HOME response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." The HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities.

AHFA has established certain priorities to be used in the distribution of HOME funds. At this time, AHFA seeks to promote the following housing priorities in the allocation cycles for 2016 and through 2019:

- Projects that add to the affordable housing stock;
- Projects, which, without HOME funds, would likely not set aside units for lower income tenants, inclusive of tenants with disabilities and/or those who are homeless;
- Projects which use additional assistance through federal, state, or local subsidies; and
- Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

ESG: See the ESG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, the ESG Program may provide funding assistance to all areas of the State of

Alabama. There is no identified target area.

HOPWA: See the HOPWA response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama. These needs are established via the HOPWA Program's eligibility criteria.

What are the opportunities for improvement in this target area?

CDBG: See the CDBG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, for the CDBG Program, opportunities for improvement are determined when the State conducts the annual competitive funding cycle for CDBG funds. The non-entitlement communities may apply for CDBG funds to expend on a variety of activities which may include: (1) new, rehabilitated, or larger water lines, (2) new, rehabilitated, or larger sewer lines, (3) new or rehabilitated water tanks, (4) new streets and roads, or repaving of current streets and roads, (5) flood and drainage control, (6) housing rehabilitation, (7) construction of senior centers, communities, and parks, (8) demolition of structures in slum/blighted areas, (9) acquisition of areas to assist with specific project development, (10) planning studies for local communities or portions of communities (such as a downtown revitalization plan), and (11) economic development activities to assist in attracting/locating new businesses and jobs or to retain existing businesses and jobs within communities. Additional fund categories can include Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects. Each local community applicant for CDBG funds must provide to ADECA information in its respective application that identifies and assesses the needs of its target area, to include needs for housing, water services, sewer services, streets, and flood and drainage control, and the selected means to address those needs / improve upon the community's needy conditions.

HOME: See the HOME response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, for the HOME Program, opportunities for improvement are determined when AHFA conducts the annual competitive funding cycle for HOME funds. As required by HOME regulations, AHFA, as administrators of the State of Alabama HOME Program, will develop selection criteria to determine housing priorities for the State. The selection criteria includes ranking each project in accordance with its location with an effort to limit awards to one per county annually, fulfillment of housing needs, project and applicant characteristics, and participation of local tax-exempt organizations. AHFA also utilizes an evaluation process whereby preference is given to projects which serve 1) the lowest-income tenants and 2) qualified tenants for the longest periods. Lastly, AHFA develops compliance monitoring procedures to test for compliance with HOME regulations and for notifying HUD of noncompliance. Each year, the HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain priorities to be used in the distribution of HOME funds. At this time, AHFA seeks to promote the following housing priorities in the allocation cycles for 2016 and through 2019:

- Projects that add to the affordable housing stock;
- Projects, which, without HOME funds, would likely not set aside units for lower income tenants, inclusive of tenants with disabilities and/or those who are homeless;
- Projects which use additional assistance through federal, state, or local subsidies; and
- Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

ESG: See the ESG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, for the ESG Program, opportunities for improvement are determined when the State conducts the annual competitive funding cycle for ESG funds. The ESG Program may provide funding assistance to all areas of the State of Alabama. There is no identified target area.

HOPWA: See the HOPWA response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, for the HOPWA Program, opportunities for improvement are determined when the State conducts the annual competitive funding cycle for HOPWA funds. AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama. These needs are established via the HOPWA Program's eligibility criteria.

Are there barriers to improvement in this target area?

CDBG: See the CDBG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, each community that applies to ADECA for CDBG Program grant funds must address four elements that provide information on the nature of the benefits to be gained from those funds, as well as barriers to improvement. These elements include a (1) Needs Assessment, which is an assessment of community-wide needs associated with housing and essential community development facilities, including the needs of low and moderate income households; (2) Project Development, which is a description of the needs to be addressed, the process used to identify the needs, and the activities that would best address the needs, including alternatives considered; (3) Impact Description, which is a qualitative and quantitative description of project impact in addressing the needs of the project area and/or the community, including the number of beneficiaries, low and moderate income beneficiaries, directness of benefit, urgency or criticalness, secondary benefits, and life expectancy of improvements; and (4) Other Considerations, which is a consideration of the adequacy of utility rates, operations and maintenance capacity, local participation, local capacity to implement a CDBG project, distress factors, cost efficiencies, utilization of innovative approaches, past efforts, or other relevant factors not previously identified and discussed in the community's grant application. Thus, each local community applicant for CDBG funds must provide (in its CDBG grant application submitted to ADECA) information that identifies and assesses the needs of its target area, to include needs for housing, water services, sewer services, streets, and flood and drainage control, and the selected means to address those needs / improve upon the community's identified conditions. Each applicant community must also provide information on any / all "alternatives" that were considered for addressing the selected activity (be it water, sewer, housing rehab, etc.) which could be implemented due to barriers encountered within that community.

HOME: See the HOME response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, for the HOME Program, barriers to improvement are determined when AHFA conducts the annual competitive funding cycle for HOME funds.

ESG: See the ESG response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, the ESG Program may provide funding assistance to all areas of the State of Alabama. There is no identified target area.

HOPWA: See the HOPWA response stated herein above at "**General Allocation Priorities: Describe the basis for allocating investments geographically within the State of Alabama**." Also, for the HOPWA Program, barriers to improvement are determined when the State conducts the annual competitive funding cycle for HOPWA funds. AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama. These needs are established via the HOPWA Program's eligibility criteria.

SP-25 Priority Needs [see 24 CFR 91.315(a)(2)]

Priority Needs Defined:

CDBG: Each CDBG-funded activity must address at least one of the three National Objectives of the CDBG program. These are as follows:

1. Benefit low and moderate income persons, of which at least 51% must be from low and moderate income households; and for single family housing activities, these must benefit 100% low and moderate income households;
2. Aid in the prevention or elimination of slums and blight; or,
3. Meet other urgent community needs that pose a serious and immediate threat to the health or welfare of the community, and where other financial resources are not available.

In addition to meeting at least one of these three National Objectives, activities must meet one of the following three performance goals:

1. Create suitable living environments;
2. Provide decent affordable housing; or
3. Create economic opportunities.

Further, the selected activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services;
2. Improve affordability of housing or other services; and/or
3. Improve sustainability by promoting viable communities.

Based on these HUD and State mandates, the CDBG program allows Alabama's non-entitlement communities to establish - and select for submitting funding applications - their own local priorities that are based on their own local community needs assessments. ADECA has found that, based on previous years' applications submitted from local governments seeking CDBG Program funds, most of the priorities focus on the following commonly-funded eligible activities: water system improvements, sewer system improvements, road improvements, housing rehabilitation, community enhancement/quality of life improvement projects, economic development projects that create new jobs or retain existing jobs, local government planning projects, downtown planning or revitalization projects, and urgent need projects.

HOME: The State recognizes a wide range of needs, encompassing individuals, families, and households of every possible age, race, physical location, and socio-economic status. As administrators of HOME for nearly 25 years, Alabama Housing Finance Authority has a proven track record of exemplary stewardship and countless opportunities have been created for thousands of low-income Alabamians to live, often for the first time in their life, in housing that is new and clean and well-managed and, most importantly, affordable.
Under *Affordable Housing*, the applicable activities and needs are as follows:

ACTIVITY	PRIORITY	ACTION
Rental Assistance	Low	None Planned
Production of new units	High	Certainty
Rehabilitation of existing units	Low	None Planned
Acquisition of existing units	Low	None Planned

While the primary activity for State HOME funds has historically been new construction, some funding sources (Housing Credits, Multifamily Bonds, etc.) have been used for the acquisition/rehabilitation of certain existing projects, such as older FmHA (USDA Rural Development) and HUD-financed properties.

ESG: The point-in-time surveys completed in 2015 for the State of Alabama documented 3,970 homeless persons. Of those, 1,027 were unsheltered and 2,943 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities (street outreach, emergency shelter, homelessness prevention, and rapid re-housing).

HOPWA: Through the most recent needs assessment completed for the HOPWA Program (2010), AIDS Alabama has identified four priority needs to be addressed:

1. Make subsidized, affordable housing (including supportive housing for those who need it) available to all persons with HIV.

2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.

3. Incorporate housing as a critical element of HIV health care.

4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

Narrative (optional):

The 2010 U. S. Census, along with the multiple variations of the American Community Survey in one, three, or five-year estimates, clearly show statistical evidence of widespread poverty in Alabama that is both alarming and predictable. Poverty, most often characterized by low median household or family income, certainly plays into the ability of Alabamians to reside in housing that is safe, sanitary, and affordable. With regards to the State of Alabama HOME Program, the creation of housing to meet those needs is the chief priority. Portions of the Consolidated Plan have indicated the great numbers of renters and owners with one or more housing problems. Of the four traditionally defined housing problems, the one that is the most pervasive and the one most difficult to mitigate is cost burden. Over 400,000 owners and renters in Alabama whose median income is less than 80% AMI carry a cost burden greater than 30%. An additional 216,000 owners and renters in the 0-80% AMI carry a cost burden greater than 50%. The actual numbers of renters who are cost-burdened at all levels is greater than the number of owners; 321,020 renters v. 303,530 owners. And because only 30% of Alabama households are renters overall, a large disproportionate need exists for renters. The top priority for the use of State HOME funds in the five-year period of 2015-2019 will be the production of affordable rental housing.

CDBG: Each CDBG-funded activity must address at least one of the three National Objectives of the CDBG program. These are as follows:

1. Benefit low and moderate income persons, of which at least 51% must be from low and moderate income households; and for single family housing activities, these must benefit 100% low and moderate income households;
2. Aid in the prevention or elimination of slums and blight; or,
3. Meet other urgent community needs that pose a serious and immediate threat to the health or welfare of the community, and where other financial resources are not available.

In addition to meeting at least one of these three National Objectives, activities must meet one of the following three performance goals:

1. Create suitable living environments;
2. Provide decent affordable housing; or
3. Create economic opportunities.

Further, the selected activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services;
2. Improve affordability of housing or other services; and/or
3. Improve sustainability by promoting viable communities.

Based on these HUD and State mandates, the CDBG program allows Alabama's non-entitlement communities to establish - and select for submitting funding applications - their own local priorities that are based on their own local community needs assessments. ADECA has found that, based on previous years' applications submitted from local governments seeking CDBG Program funds, most of the priorities focus on the following commonly-funded eligible activities: water system improvements, sewer system improvements, road improvements, housing rehabilitation, community enhancement/quality of life improvement projects, economic development projects that create new jobs or retain existing jobs, local government planning projects, downtown planning or revitalization projects, and urgent need projects.

HOME: The State recognizes a wide range of needs, encompassing individuals, families, and households of every possible age, race, physical location, and socio-economic status. As administrators of HOME for nearly 25 years, Alabama Housing Finance Authority has a proven track record of exemplary stewardship and countless opportunities have been created for thousands of low-income Alabamians to live, often for the first time in their life, in housing that is new and clean and well-managed and, most importantly, affordable.
Under *Affordable Housing*, the applicable activities and needs are as follows:

ACTIVITY	PRIORITY	ACTION
Rental Assistance	Low	None Planned
Production of new units	High	Certainty
Rehabilitation of existing units	Low	None Planned
Acquisition of existing units	Low	None Planned

While the primary activity for State HOME funds has historically been new construction, some funding sources (Housing Credits, Multifamily Bonds, etc.) have been used for the acquisition/rehabilitation of certain existing projects, such as older FmHA (USDA Rural Development) and HUD-financed properties.

ESG: The point-in-time surveys completed in 2015 for the State of Alabama documented 3,970 homeless persons. Of those, 1,027 were unsheltered and 2,943 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities (street outreach, emergency shelter, homelessness prevention, and rapid re-housing).

HOPWA: Through the most recent needs assessment completed for the HOPWA Program (2010), AIDS Alabama has identified four priority needs to be addressed:

1. Make subsidized, affordable housing (including supportive housing for those who need it) available to all persons with HIV.
2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.
3. Incorporate housing as a critical element of HIV health care.
4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

SP-26 Add Priority Need [see 24 CFR 91.215(a)(2)]

Sort Order* 1	
Name*	
Priority Level: Low □ High □	
Description*	
Population*:	
Income Level:	Check One:
Extremely Low:	
Low:	
Moderate:	
Middle:	
Family Types:	Check One:
Large Families:	
Families With Children:	
Elderly:	
Public Housing Residents:	
Homeless:	Check One:
Rural:	
Chronic Homelessness:	
Individuals:	
Families With Children:	
Mentally Ill:	
Chronic Substance Abuse:	
Veterans:	
Persons with HIV/AIDS:	
Victims of Domestic Violence:	
Unaccompanied Youth:	
Non-homeless Special Needs:	Check One:
Elderly:	
Frail Elderly:	
Persons with Mental Disabilities:	
Persons with Physical Disabilities:	
Persons with Developmental Disabilities:	
Persons with Alcohol or Other Addictions:	
Persons with HIV/AIDS and their Families:	
Victims of Domestic Violence:	
Non-Housing Community Development:	
Other:	
User Defined:	
Target Areas Affected:	
No target areas available	
Associated Goals:	
No goals available	
Describe Basis for Relative Priority:	

SP-45 Goals [see 24 CFR 91.315(a)(4)]

Goals:

<u>CDBG</u>: The overall goals of Alabama's CDBG Program focus on expending the allocated funds to address the program's three National Objectives within Alabama's non-entitlement communities, which are defined as those cities and counties that <u>do not</u> include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. Additional fund categories can include Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects. The goals are as follows:

Each CDBG-funded project must address at least one of the Program's three <u>National Objectives</u>:

1. the activity must benefit low and moderate income persons, of which at least 51% must be from low and moderate income households, except for single family housing activities which must benefit 100% low and moderate income households;
2. the activity must aid in the prevention or elimination of slums and blight; or
3. the activity must meet other urgent community needs posing a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

Each CDBG-funded project must meet one of the following three <u>performance goals</u>:

1. the project must create suitable living environments;
2. the project must provide decent affordable housing; or
3. the project must create economic opportunities.

Each CDBG-funded project must demonstrate the ability to achieve or improve one or more of the following <u>outcomes</u>:

1. the project must improve availability or accessibility of units or services;
2. the project must improve affordability of housing or other services; and/or
3. the project must improve sustainability by promoting viable communities.

The statutory goals "to establish and maintain a suitable living environment, and expand economic opportunities for every American, particularly for very low-income and low-income persons", are reinforced by the State of Alabama's long-term objectives:

1. To provide important community facilities that address all aspects of community development.
2. To provide economic development that creates new jobs, retains existing employment, and expands the local tax base.
3. To meet the affordable housing needs of low-, and moderate-income Alabamians.

Additionally, in accordance with the Housing and Community Development Act, the State of Alabama requires that each CDBG funded activity meet at least one of the following three objectives:

1. Benefit principally low- and moderate-income persons; or
2. Aid in the prevention or elimination of slums and blight; or
3. Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

With respect to short-term objectives, the State of Alabama has identified the following:

1. Allow communities to address the community development needs perceived to be the most important at the local level.
2. Encourage communities to plan for the future.
3. Assist communities in responding to economic development needs in a timely manner primarily through infrastructure assistance.
4. Provide a vehicle to deal with health hazards or urgent needs so that communities can readily respond to crises.
5. Provide a vehicle to address a wide variety of community development needs including housing rehabilitation.

Lastly, the State of Alabama's CDBG program is to provide a guide for administrating and effectively blending the annual federal allocation of CDBG dollars with local initiatives, both public and private, to address those needs identified in this strategic planning process. To attain this overall goal, CDBG funding will be targeted to a variety of purposes, including community development needs, community planning, economic development needs through infrastructure and loan programs, health hazard or other urgent crises management, job creation, housing rehabilitation, and the Black Belt region initiative implemented back in 2005.

These goals are designed to serve the needs of local non-entitlement communities by distributing the funds in an equitable manner per the federal and state regulations and guidelines. They are designed to assist Alabama's non-entitlement communities in their immediate efforts to address important community development needs arising at the local level by encouraging these communities to develop plans for implementing infrastructure projects that will allow them to timely address and accommodate economic and development opportunities. They can also include providing health hazard and urgent need/emergency management assistance for these communities to access and activate when responding to disasters and crises, and providing mechanisms for them to use when addressing other development needs which can include housing rehabilitation, and infrastructure replacements and upgrades. They can provide for important community facilities that are intended or designed to address improving the residents' quality-of-life within the community, promote economic development that can expand the local tax base by creating new jobs and/or retaining existing employment, and meet the long-term affordable housing needs of low- and moderate-income Alabamians.

HOME: For the HOME Program, the goals are to create as many new rental housing units across Alabama as is possible. By leveraging HOME Program funds with Housing Credits, the HOME award per successful applicant is carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. The State's goals are to fund 5-7 HOME projects with 200-350 units with the first year's funding under this Five-Year Consolidated Plan, designate at least 15 percent of the funding for CHDOs, and award the remainder of those funds to a mixture of for-profit and non-profit developers.

As the administrator of the Plans, AHFA's goal is to develop written criteria for the Plans that will provide equal access to affordable housing developments, which include new construction; diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, AHFA's greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population, will have a fair chance of competing during each cycle for funding. To that end, certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards which significantly exceed AHFA's standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project's costs exceed AHFA's definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come first-served basis, and subject to the criteria and requirements of the applicable Plan and the AHFA Multifamily Housing Revenue Bond Policy.

ESG: The ESG Program's goals are to provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. The point-in-time surveys completed in 2015 for the State of Alabama documented 3,970 homeless persons. Of those, 1,027 were unsheltered and 2,943 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State went about identifying additional housing resources and case management services, and designated them as priority needs in this Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the objective is to create a suitable living environment, with the outcome being availability/ accessibility. For homelessness prevention and rapid re-housing activities, the objective is to provide decent affordable housing, with the outcome being affordability. These objectives will be achieved through the following goals:

ESG Program Goal #1: Reducing and ending homelessness through reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.

The point-in-time counts for 2015 showed that there were 1,027 unsheltered homeless persons in Alabama. The State's goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken:

a. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.

b. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.

c. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

<u>ESG Program Goal #2: Reducing and ending homelessness through addressing the emergency shelter and transitional housing needs of homeless persons.</u>

The point-in-time counts for 2015 showed that there were 2,943 homeless persons in emergency shelter and transitional housing in Alabama. The State's goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken:

a. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.

b. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

<u>ESG Program Goal #3: Reducing and ending homelessness through helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.</u>

The State's goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

<u>ESG Program Goal #4: Reducing and ending homelessness through helping low-income individuals and families to avoid becoming homeless, especially extremely low-income individuals and families who are being discharged from publicly funded institutions and systems of care, such as healthcare facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions.</u>

The State's goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. ESG subrecipients and second-tier subrecipients will inform those publicly-funded institutions of the available housing options in their service area. This information will be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability.

<u>ESG Program Goal #5: Reducing and ending homelessness through helping low-income individuals and families to avoid becoming homeless, especially extremely low-income individuals</u>

and families who are receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs.

The State's additional goal is that ESG subrecipients' and second-tier subrecipients' case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. In doing so, case managers will be able to work more closely with mainstream service providers and private agencies which address these needs, and then provide this information to their clients and assist them in obtaining other eligible assistance.

HOPWA: The HOPWA Program's goals are to address the following four public policy imperatives:

1. Make subsidized, affordable housing - including supportive housing for those who need it - available to all persons with HIV.
2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.
3. Incorporate housing as a critical element of HIV health care.
4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

To attain these goals, AIDS Alabama will use the PY2016 HOPWA funds for the following programs:

1. Rental Assistance
2. Supportive Services that include case management, support staff, housing outreach, and transportation
3. Operations of existing housing
4. Master Leasing
5. Resource Identification
6. Housing Information
7. Technical Assistance
8. Administration.

CDBG Disaster (CDBG-DR): For CDBG Disaster funds (CDBG-DR), the goal is to assist as many LMI families who received tornado / storm damage to receive housing assistance as the CDBG-DR funds will allow.

SP-46 Edit Goals

CDBG:

Name:	Alabama's CDBG Program
Description: Alabama's CDBG Program encompasses the State's non-entitlement areas (those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile).	
Category:	
Affordable Housing	☐
Public Housing	☐
Homeless	☐
Non-Homeless Special Needs	☐
Non-Housing Community Development	☑
Other	☐
If Other, specify:	
Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Availability/accessibility
Objective:	Create economic opportunities
Geographic Areas Included: The non-entitlement areas are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile.	
Priority Needs Addressed: (1) new, rehabilitated, or larger water lines, (2) new, rehabilitated, or larger sewer lines, (3) new or rehabilitated water tanks, (4) new streets and roads, or repaving of current streets and roads, (5) flood and drainage control, (6) housing rehabilitation, (7) construction of senior centers, communities, and parks, (8) demolition of structures in slum/blighted areas, (9) acquisition of areas to assist with specific project development, (10) planning studies for local communities or portions of communities (such as a downtown revitalization plan), and (11) economic development activities to assist in attracting/locating new businesses and jobs or to retain existing businesses and jobs within communities	
Funding Allocated:	
CDBG	$21,904,212
HOME	
ESG	
HOPWA	
Other - CDBG-DR	
Total:	$21,904,212

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	UoM
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit		Persons Assisted

2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	100	Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit	100	Households Assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed		Household Housing Unit
8	Rental Units Rehabilitated		Household Housing Unit
9	Homeowner Housing Added		Household Housing Unit
10	Homeowner Housing Rehabilitated	10	Household Housing Unit
11	Direct Financial Assistance to Homebuyers		Households Assisted
12	Tenant-based Rental Assistance / Rapid Rehousing		Households Assisted
13	Homeless Person Overnight Shelter		Persons Assisted
14	Overnight / Emergency Shelter / Transitional Housing Beds added		Beds
15	Homelessness prevention		Persons Assisted
16	Jobs created / retained	10	Jobs
17	Businesses assisted		Businesses Assisted
18	Housing for Homeless added		Household Housing Unit
19	Housing for People with HIV / AIDS added		Household Housing Unit
20	HIV / AIDS Housing Operations		Household Housing Unit
21	Buildings Demolished	10	Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

HOME:

Name:	Alabama's HOME Program
Description: Alabama's HOME Program promotes housing priorities that include projects that add to the affordable housing stock; projects which - without HOME funds - would likely not set aside units for lower income tenants, inclusive of tenants with disabilities and/or those who are homeless; projects which use additional assistance through federal, state, or local subsidies; and balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.	
Category:	
Affordable Housing	☑
Public Housing	☐
Homeless	☐
Non-Homeless Special Needs	☐
Non-Housing Community Development	☐
Other	☐
If Other, specify:	
Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Affordability
Objective:	Provide decent affordable housing
Geographic Areas Included: No goal geo area available.	
Priority Needs Addresses: No goal needs available.	
Funding Allocated:	
CDBG	
HOME	$8,121,398
ESG	
HOPWA	
Other - CDBG-DR	
Total:	$8,121,398

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	UoM
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit		Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit		Households Assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed	200	Household Housing Unit

8	Rental Units Rehabilitated		Household Housing Unit
9	Homeowner Housing Added		Household Housing Unit
10	Homeowner Housing Rehabilitated		Household Housing Unit
11	Direct Financial Assistance to Homebuyers		Households Assisted
12	Tenant-based Rental Assistance / Rapid Rehousing		Households Assisted
13	Homeless Person Overnight Shelter		Persons Assisted
14	Overnight / Emergency Shelter / Transitional Housing Beds added		Beds
15	Homelessness prevention		Persons Assisted
16	Jobs created / retained		Jobs
17	Businesses assisted		Businesses Assisted
18	Housing for Homeless added		Household Housing Unit
19	Housing for People with HIV / AIDS added		Household Housing Unit
20	HIV / AIDS Housing Operations		Household Housing Unit
21	Buildings Demolished		Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

ESG:

Name:	Alabama's ESG Program
Description: The ESC Program works with all of Alabama's Continuums of Care, interested Community Action Agencies, the Alabama Alliance to End Homelessness, and other groups to assess and address the needs of homeless persons.	
Category:	
Affordable Housing	☐
Public Housing	☐
Homeless	☑
Non-Homeless Special Needs	☐
Non-Housing Community Development	☐
Other	☐
If Other, specify:	
Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Availability/accessibility
Objective:	Create suitable living environments
Geographic Areas Included: No goal geo area available.	
Priority Needs Addresses: No goal needs available.	
Funding Allocated:	
CDBG	
HOME	
ESG	$2,486,800
HOPWA	
Other - CDBG-DR	
Total:	$2,486,800

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	UoM
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit		Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit		Households Assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed		Household Housing Unit
8	Rental Units Rehabilitated		Household Housing Unit

9	Homeowner Housing Added		Household Housing Unit
10	Homeowner Housing Rehabilitated		Household Housing Unit
11	Direct Financial Assistance to Homebuyers		Households Assisted
12	Tenant-based Rental Assistance / Rapid Rehousing	100	Households Assisted
13	Homeless Person Overnight Shelter	100	Persons Assisted
14	Overnight / Emergency Shelter / Transitional Housing Beds added	100	Beds
15	Homelessness prevention	100	Persons Assisted
16	Jobs created / retained		Jobs
17	Businesses assisted		Businesses Assisted
18	Housing for Homeless added		Household Housing Unit
19	Housing for People with HIV / AIDS added		Household Housing Unit
20	HIV / AIDS Housing Operations		Household Housing Unit
21	Buildings Demolished		Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

HOPWA:

Name:	Alabama's HOPWA Program
Description: Alabama's HOPWA Program addresses public policy imperatives that include making subsidized affordable housing available to all persons with HIV; making the housing of homeless persons a top prevention priority; incorporating housing as a critical element of HIV health care; and collecting and analyzing data to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.	
Category:	
Affordable Housing	☐
Public Housing	☐
Homeless	☑
Non-Homeless Special Needs	☐
Non-Housing Community Development	☐
Other	☐
If Other, specify:	
Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Availability/accessibility
Objective:	Provide decent affordable housing
Geographic Areas Included: No goal geo area available.	
Priority Needs Addresses: No goal needs available.	
Funding Allocated:	
CDBG	
HOME	
ESG	
HOPWA	$1,530,814
Other - CDBG-DR	
Total:	$1,530,814

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	UoM
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit		Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit		Households Assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed		Household Housing Unit

8	Rental Units Rehabilitated		Household Housing Unit
9	Homeowner Housing Added		Household Housing Unit
10	Homeowner Housing Rehabilitated		Household Housing Unit
11	Direct Financial Assistance to Homebuyers		Households Assisted
12	Tenant-based Rental Assistance / Rapid Rehousing		Households Assisted
13	Homeless Person Overnight Shelter		Persons Assisted
14	Overnight / Emergency Shelter / Transitional Housing Beds added		Beds
15	Homelessness prevention		Persons Assisted
16	Jobs created / retained		Jobs
17	Businesses assisted		Businesses Assisted
18	Housing for Homeless added		Household Housing Unit
19	Housing for People with HIV / AIDS added	100	Household Housing Unit
20	HIV / AIDS Housing Operations	100	Household Housing Unit
21	Buildings Demolished		Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

CDBG Disaster (CDBG-DR):

Name:	Alabama's Disaster / CDBG-DR Program
Description: Alabama's Disaster grant funds are used to address the immediate needs of communities affected by natural disasters (including tornadoes, hurricanes, and related events), to include funds to assist with single and multi-family housing, business restarts, and economic development needs.	
Category:	
Affordable Housing	☐
Public Housing	☐
Homeless	☐
Non-Homeless Special Needs	☐
Non-Housing Community Development	☐
Other	☑
If Other, specify: Disaster Recovery	
Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Availability/accessibility
Objective:	Create Economic Opportunities
Geographic Areas Included: No goal geo area available.	
Priority Needs Addresses: No goal needs available.	
Funding Allocated:	
CDBG	
HOME	
ESG	
HOPWA	
Other - CDBG-DR	$6,508,388.43
Total:	$6,508,388.43

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	UoM
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	15,000	Persons Assisted
2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	15,000	Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit		Households Assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed	150	Household Housing Unit

8	Rental Units Rehabilitated		Household Housing Unit
9	Homeowner Housing Added	10	Household Housing Unit
10	Homeowner Housing Rehabilitated	300	Household Housing Unit
11	Direct Financial Assistance to Homebuyers	10	Households Assisted
12	Tenant-based Rental Assistance / Rapid Rehousing		Households Assisted
13	Homeless Person Overnight Shelter		Persons Assisted
14	Overnight / Emergency Shelter / Transitional Housing Beds added		Beds
15	Homelessness prevention		Persons Assisted
16	Jobs created / retained	200	Jobs
17	Businesses assisted	25	Businesses Assisted
18	Housing for Homeless added		Household Housing Unit
19	Housing for People with HIV / AIDS added		Household Housing Unit
20	HIV / AIDS Housing Operations		Household Housing Unit
21	Buildings Demolished	1	Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

ANNUAL ACTION PLAN

AP-15 Expected Resources [see 24 CFR 91.320(c)(1,2)]

Introduction: The State of Alabama's One-Year Annual Action Plan (AAP) for Program Year 2016 (PY2016) (which is Year Two of the Five-Year term) is a collaboration between ADECA (the administrator of the CDBG Program and ESG Program), AHFA (the administrator of the HOME Program), and AIDS Alabama (the administrator of the HOPWA Program). This AAP's goal is to provide guidance for expending federal dollars that effectively blend with local initiatives, both public and private, that are designed to address needs identified through Alabama's strategic planning process. CDBG Program funds are expended to address community development, community planning, economic development (inlcuding infrastructure and loan programs), job creation, housing rehabilitation, health hazard situations and disasters/emergency crisis management, and Alabama's Black Belt Region Initiative (that began implementation in 2005). HOME Program funds are expended on new multifamily rental housing across the state. HOME tenants typically include families, the elderly, and special needs populations, all of whom are low-income and in need of affordable housing. ESG Program funds are expended on addressing the needs of Alabama's homeless population and persons at risk of homelessness, and such activities include street outreach, emergency shelter, homelessness prevention, rapid re-housing, and development of local Homeless Management Information System (HMIS) technology solutions for collecting and reporting client-level data and data on the provision of housing and services to the homeless and those at risk of homelessness. HOPWA Program funds are expended on direct housing activites benefitting individuals and households with HIV/AIDS, and on supportive service activities that assist this population with developing skills and accessing resources needed to maintain housing stability and avoid homelessness. The direct housing activities funds cover operational costs of existing HIV/AIDS housing, but also support the cost of rental assistance programs that include Tenant-Based Rental Assistance (TBRA), Project-Based Rental Assistance (PBRA), and Short Term Rent, Mortgage, and Utility Assistance (STRMU). Additional activities include master leasing, housing information, technical assistance, and resource identification services. Housing information and technical assistance services strengthen the efforts of local AIDS Service Organizations (ASOs) to expand the current stock of HIV/AIDS-specific housing. Resource identification activities assist with marketing, planning, and developing affordable housing throughout the state, and include funding for the completion of the Statewide Needs Assessment. Identification of mainstream housing resources and connection to those programs will be delivered through housing information services. HOPWA funds also support other housing development efforts through technical assistance and resource identification categories that have maximized more mainstream housing fund dollars.

The State of Alabama's Five-Year Consolidated Plan (2015-2019) and companion PY2015 One-Year Annual Action Plan for Program Year One (PY2015) were submitted together on April 6, 2015 for approval by HUD. This PY2016 One-Year Annual Action Plan for Program Year Two (PY2016) is being submitted on April 15, 2016 for approval by HUD. It states how implementation of the objectives outlined in the Five-Year Plan will continue, and those objectives include providing decent housing, suitable living environments, and economic opportunities. In developing the previous Program Year One Annual Action Plan, a public hearing was held on February 27, 2015 for the Five-Year Consolidated Plan (2015-2019) and for the PY2015 One-Year

Annual Action Plan to discuss the CDBG, ESG, HOME, and HOPWA Programs, and notices were advertised in the state's major newspapers, e-mailed to interested parties, and posted on ADECA's web site. A separate public hearing was held in November 2014 to discuss the HOME Action Plan and Housing Credit Qualified Action Plan, and notices were advertised in the state's major newspapers, e-mailed to interested parties, and posted on AHFA's web site. In developing this Program Year Two Annual Action Plan, a public hearing was held on March 15, 2016 for the PY2016 One-Year Annual Action Plan to discuss the CDBG, ESG, HOME, and HOPWA Programs, and notices were advertised in the state's major newspapers, e-mailed to interested parties, and posted on ADECA's web site. A separate public hearing was also conducted by the Alabama Housing Finance Authroity on October 7, 2015 to discuss the HOME Program, and notices were advertised in the state's major newspapers, e-mailed to interested parties, and posted on AHFA's web site.

Because the State of Alabama is required to report to HUD the outcomes of a just-completed Program Year's programs in June of each year, the outcomes for the Program Year One (PY2015) are scheduled to be reported to HUD in June 2016, and the outcomes for the Program Year Two (PY2016) are scheduled to be reported to HUD in June 2017. In addition to quantitative outputs, these outcomes will be reported by the general categories of availability / accessibility, affordability, and sustainability. The documents containing this information will be available for public review by June 30, 2016 (for PY2015) and by June 30, 2017 (for PY2016) on ADECA's website at www.adeca.alabama.gov. In addition, the State of Alabama must annually report each Program Year's outcomes in accordance with the March 7, 2006 Federal Register Notice entitled "Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs" – requiring that such reporting be done by entering individual grant objectives and outcomes into HUD's online Integrated Disbursement and Information System (IDIS), located on www.hud.gov.

Priority Table:

Source of Funds	**Source**	**Uses of Funds**	**Expected Amount Available: Year 2**	**Expected Amount Available: Remainder of Con Plan**	**Narrative Description**	**Action**
CDBG	public-federal	Acquisition Admin & Planning Economic Development Housing Public Improvements Public Services	Annual Allocation: $21,904,212 Program Income: $165,000 Prior Year Resources: $500,000 Total: $22,569,212	$0	CDBG Funds will be expended among the following Fund Categories: County Fund = $2,750,000; Large City Fund = $5,000,000; Small City Fund = $5,772,086; Economic Development Fund = $4,500,000; Planning Fund = $125,000; Community Enhancement Fund = $3,000,000; State Administration = $538,084; State Technical Assistance = $219,042.	**CDBG**

					The amounts allocated to each Fund category are determined by the amounts requested in the applications received each year. Funds are awarded based on the quality of applications received. Each applicant estimates the amounts needed for each activity.	
HOME	public-federal	Acquisition Homebuyer Assistance Homeowner Rehab Multifamily Rental New Construction Multifamily Rental Rehab New Construction for Ownership Tenant-Based Rental Assistance (TBRA)	Annual Allocation: $8,121,398 Program Income: $0 Prior Year Resources: $0 Total: $8,121,398	$0 Unknown at this time	HOME Funds will be expended according to the HOME Plan attached hereto.	**HOME**
HOPWA	public-federal	Permanent Housing in Facilities Permanent Housing Placement Short-term Rent, Mortgage, and Utility Assistance (STRMU) Short Term or Transitional Housing Facilities Supportive Services Tenant-Based Rental Assistance (TBRA)	Annual Allocation: $1,530,814 Program Income: $0 Prior Year Resources: $0 Total: $1,530,814	$0	HOPWA Funds will be expended in the manner described in the narrative below.	**HOPWA**

ESG	public-federal	Conversion and Rehab for Transitional Housing Financial Assistance Overnight Shelter Rapid Re-housing (rental assistance) Rental Assistance Services Transitional Housing	Annual Allocation: $2,486,800 Program Income: $0 Prior Year Resources: $0 Total: $2,486,800	$0	The amounts allocated to each activity are determined by the amounts requested in the applications received each year. Funds are awarded based on the quality of applications received. Each applicant estimates the amounts needed for each activity.	**ESG**
Other: CDBG-DR (Disaster)	public-federal	Admin & Planning Economic Development Homebuyer Assistance Homeowner Rehab Housing Multifamily Rental New Construction New Construction for Ownership Overnight Shelter Public Improvements	$6,508,388.43	$9,781,621	The CDBG Disaster Funds are used for tornadoes that occurred in Alabama during April 2011.	

Explain how federal funds will leverage those additional resources (private, State, and local funds), including a description of how matching requirements will be satisfied:

CDBG: NOTE: This information is also stated in section **SP-35 of the Five-Year Consolidated Plan (2015-2019)**.

Alabama's CDBG Program will provide financial grants and other assistance to the State's non-entitlement areas consisting of those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. These funds will be disbursed among 8 Fund categories that include County, Large City (cities with 3,001 or more population), Small City (cities with 3,000 or less population), Economic Development, Planning, Community Enhancement, State Technical Assistance, and State Administration, as is authorized under the Housing and Community Development Act of 1974, as amended. Additional categories can include funds for Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects. Because grants assist in providing community development, decent housing, suitable living environments, and expansion of economic opportunities that are principally for low- and moderate-income persons, Alabama's criteria for selecting local governments' CDBG applications to receive funds rest, in part, on how those federal funds will be leveraged at the State and local levels. The State plans to leverage CDBG funds with the applicant local governments' matching funds. The State encourages its non-entitlement local governments to contribute their own funds in the CDBG application process, even if the project is a joint project to be administered via a collaboration between two participating jurisdictions.

The satisfaction of match requirements is explained more specifically as follows:

Alabama will receive $21,904,212 in PY2016 CDBG funds. For the State Administration Fund, the State will allocate $538,084, and will match its CDBG dollars on a dollar-for-dollar basis, except for the $100,000 that is not required to be matched. That $100,000 is reserved for expenditure on preparing the Five-Year Consolidated Plan, the One-Year Annual Action Plan, and the "Analysis of Impediments to Fair Housing Choice." The State will also allocate $219,042 for State Technical Assistance.

1. For the County Fund, Large City Fund, and Small City Fund categories, Alabama will allocate the following amounts: (1) County Fund = $2,750,000; (2) Large City Fund = $5,000,000; and (3) Small City Fund = $5,772,086. These funds will be allocated based on the quality of grant applications received from eligible non-entitlement communities seeking CDBG assistance. In the grant application rating and selection process, the State will assign up to 20 points to a community's rating score if its application/project includes the contribution of local matching funds, and these points will be awarded based on the percent of local funds divided by the total CDBG funds requested, as follows: Two points will be awarded for a one percent (1%) matching funds contribution, 4 points will be awarded for a two percent (2%) matching funds contribution, and so forth up to 20 points being awarded for a ten percent (10%) matching funds contribution. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required, and the full 20 points will be awarded in the County Fund, Large City Fund, or Small City Fund categories.

2. For the Community Enhancement Fund (for which the State will allocate $3,000,000), the State will require a local match amount equal to or exceeding 10 percent (10%) of the community's requested CDBG amount. However, for these Funds, the State will not require that communities put forth the local matching funds if they have 1,000 or fewer population as determined by the 2010 Census; instead, the State will allow the full 20 points to be added to each such community's application rating score.

3. For the Planning Fund (for which the State will allocate $125,000), the State will require a local match amount of 20 percent (20%) of the community's CDBG amount requested in the application. However, the State will not require that communities put forth the local matching funds if they have 1,000 or fewer population as determined by the 2010 Census; instead, the State will allow the full 20 points to be added to each such community's application rating score.

4. For the Economic Development Fund (for which the State will allocate $4,500,000), the State will require a local match amount of 20 percent (20%) of the community's CDBG amount requested in the application. However, the State will not require that communities put forth the local matching funds if they have 1,000 or fewer population as determined by the 2010 Census; instead, the State will allow the full 20 points to be added to each such community's application rating score. More specifically:

a. For ED Grants, the project must include a local match of at least 20 percent of the amount requested in the ED Grant application. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required if the applicant lacks the financial capacity to provide the match. Under extremely extenuating circumstances, the ADECA Director may provide a waiver to the local match requirement.

b. For ED Incubator Projects, the factors to be considered in evaluating the worthiness of such proposals include evidence of local support (financial, professional, or other).

c. For ED Loans, applications for ED Loans will be reviewed for conformance with the thresholds and other factors such as the leverage ratio (private dollars as compared to CDBG dollars).

d. For ED Float Loans, applications for ED Float Loans will be considered based on a thorough review of the project, and the funding decisions will be based on the factors that include loan security, which security shall be in the form of an irrevocable letter of credit or such other security acceptable to the State.

5. Other matching funds involve the Section 108 Loan Guarantee Program, wherein Alabama's non-entitlement communities can apply for this program's funds, but the State is the entity that agrees to pledge a necessary amount of its own CDBG funds to secure such a loan.

6. For Urgent Need projects, the State does not require these to be subject to any matching funds requirements. Also, Alabama has put in place an option that is allowed by law and regulations to forgive up to $100,000 in required matching funds when circumstances of extreme need indicate that such action is appropriate. Alabama will consider the urgency, need, and distress of the applying community when making such matching funds decisions.

When each grant recipient has drawn down/received thirty percent (30%) or more of its project's CDBG funds, the State will monitor that recipient's grant project and documentation to verify compliance with CDBG Program requirements. Included in this monitoring visit is a review of the recipient's matching funds contributed to/expended on the project up to that point in the project's implementation schedule. The State's matching funds monitoring document is entitled "Common Rule Compliance Checklist," and the matching funds questions are stated therein at "Section II. Matching Share."

HOME: **NOTE**: This information is also stated in section **SP-35 of the Five-Year Consolidated Plan (2015-2019)**.

HOME: Based on the PY2016 allocation, Alabama will receive $8,121,398 in HOME funds. The State plans to leverage HOME funds with Low Income Housing Tax Credits for the creation of rental housing. Additional funding sources are encouraged in the application process including, but not limited to, Federal Home Loan Bank affordable housing program funds, Federal Historic Tax Credit, Alabama Historic Rehabilitation Tax Credit, USDS Rural Development 515 funds, CDBG, CDBG Disaster Funds Rental Assistance Demonstration funds, Neighborhood Stabilization Program funds, Capital Fund Program Grant, Replacement Housing Factor Fund Grant, CHOICE Neighborhood funds, Promised Neighborhood funds, NeighborhoodWorks Capital Grant, Home Depot Foundation Grant and collaborations with other Participating Jurisdictions in Alabama, and/or the use of bond financing. The satisfaction of match requirements is explained as follows (also, see the 2016 HOME Action Plan under *VI. COMPLIANCE, E. Matching*). More specifically, the match,

> ". . . may be derived from several possible sources including the donation of land by localities, the donation of voluntary skilled or unskilled labor, sweat equity, the use of tax exempt bond proceeds, the value waived of property taxes by localities, cash injections by localities, and any other source which may be determined at a later date. Additionally, a number of AHFA programs…provide financial assistance to HOME-eligible Alabama households and a portion of this funding may count as match . . ."

ESG: **NOTE**: This information is also stated in section **SP-35 of the Five-Year Consolidated Plan (2015-2019)**.

ESG Program funds will provide assistance to homeless persons and victims of domestic abuse as defined under the Stewart B. McKinney Homeless Assistance Act, as amended. Based on the PY2016 allocation, Alabama will receive $2,486,800 in ESG funds. The State will allocate the funds based on the quality of applications received from local units of government and private nonprofit organizations. ESG funds will be used to upgrade existing homeless facilities and domestic abuse shelters, to help meet the operating costs of such facilities, to provide essential services to both sheltered and unsheltered homeless persons, to help prevent homelessness, to re-house homeless persons, and to assist in the costs of administering HMIS activities. There are very limited resources at the State level to serve as match for the ESG funds. ESG funding used for the State's administration of the program is matched by the State. All other ESG dollars must be matched on a dollar for dollar basis by the State's subrecipients. Cash, donations, or in-kind services may be used as match. Donated property, space, equipment, and materials may also be used to satisfy the matching requirements. However, the State is incorporating into this Plan the option allowed by law and regulations to forgive up to $100,000 in required match when circumstances of extreme need indicate this is appropriate. The State will consider the urgency, need, and distress of the applicant when making such decisions.

HOPWA: **NOTE**: This information is also stated in section **SP-35 of the Five-Year Consolidated Plan (2015-2019)**.

Based on the PY2016 allocation, Alabama will receive $1,530,814 in HOPWA funds. AIDS Alabama will work diligently to secure partnerships with private sector organizations.

Previous partnerships with the MAC AIDS Fund, the Greater Birmingham Area Community Foundation, major banking institutions, and others have allowed AIDS Alabama to increase supportive services, improve existing housing, and increase prevention efforts throughout the State. Support from such groups is used as match and leverage to bring increased federal dollars and programs into Alabama. Each and every grant received by AIDS Alabama is used to leverage additional funding from other sources to expand the scope of that grant funding.

If appropriate, describe publically-owned land or property located within the State of Alabama that may be used to address the needs identified in the Plan:

CDBG: For the CDBG Program, this information is also stated in section AP-15.

Alabama's CDBG-funded community development and public improvement project activities typically involve construction or reconstruction that is carried out on the respective local government's publically-owned land, and such work often involves water system projects (including new or expansion of water pipes, new or rehabilitation of water tanks, and water filtration plants), sewer system projects (new or expansion of sewer pipes, and drainage systems), fire protection projects (including fire stations and fire trucks, and new fire hydrants and flush valves), road projects (for new streets/roads or existing street/road improvement projects), improvements to public facilities that will benefit more than one business (such as railroad spurs), and community enhancement/quality of life projects (including construction of community centers, senior centers, parks and recreational areas, homeless shelters, emergency/ storm shelters), and similar activities. If and when this type of local publically-owned land or property in Alabama is used to address a community's needs that are authorized by/identified in the PY2016 One-Year Annual Action Plan, then the State requires that such land/property is to be geographically situated within the jurisdiction of the applicant community (county, large city, or small city), and such land/property be the location of, and thus subject to, the CDBG grant application's approved project activities. And the local governments applying for CDBG Program funds often involve their own publically-owned land or property located within their jurisdictions as the subject of the CDBG project's need that they intend to address via their application for said funds.

HOME: Not applicable.

ESG: Not applicable.

HOPWA: Not applicable.

Discussion:

See the discussion contained in the sections herein above.

AP-20 Annual Goals and Objectives [see 24 CFR 91.320(c)(3)&(e)]

Goals:

<u>CDBG</u>: For the CDBG Program, the allocation to the State of Alabama for the PY2016 CDBG Program equals $21,904,212. With these funds, the overall goals of Alabama's CDBG Program focus on expending the allocated funds to address the program's three National Objectives within Alabama's non-entitlement communities, which are defined as those cities and counties that <u>do not</u> include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. These goals are as follows:

Each CDBG-funded project must address at least one of the Program's three <u>National Objectives</u>:

1. the activity must benefit low and moderate income persons, of which at least 51% must be from low and moderate income households, except for single family housing activities which must benefit 100% low and moderate income households;
2. the activity must aid in the prevention or elimination of slums and blight; or
3. the activity must meet other urgent community needs posing a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

Each CDBG-funded project must meet one of the following three <u>performance goals</u>:

1. the project must create suitable living environments;
2. the project must provide decent affordable housing; or
3. the project must create economic opportunities.

Each CDBG-funded project must demonstrate the ability to achieve or improve one or more of the following <u>outcomes</u>:

1. the project must improve availability or accessibility of units or services;
2. the project must improve affordability of housing or other services; and/or
3. the project must improve sustainability by promoting viable communities.

The statutory goals "to establish and maintain a suitable living environment, and expand economic opportunities for every American, particularly for very low-income and low-income persons", are reinforced by the State of Alabama's long-term objectives:

1. To provide important community facilities that address all aspects of community development.
2. To provide economic development that creates new jobs, retains existing employment, and expands the local tax base.
3. To meet the affordable housing needs of low-, and moderate-income Alabamians.

Additionally, in accordance with the Housing and Community Development Act, the State of Alabama requires that each CDBG funded activity meet at least one of the following three objectives:

1. Benefit principally low- and moderate-income persons; or
2. Aid in the prevention or elimination of slums and blight; or
3. Meet other community development needs having a particular urgency because

existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

With respect to short-term objectives, the State of Alabama has identified the following:

1. Allow communities to address the community development needs perceived to be the most important at the local level.
2. Encourage communities to plan for the future.
3. Assist communities in responding to economic development needs in a timely manner primarily through infrastructure assistance.
4. Provide a vehicle to deal with health hazards or urgent needs so that communities can readily respond to crises.
5. Provide a vehicle to address a wide variety of community development needs including housing rehabilitation.

The State of Alabama's PY2016 One-Year Annual Action Plan is to provide a guide for administrating and effectively blending the $21,904,212 in federal PY2016 CDBG dollars with local initiatives, both public and private, to address those needs identified in the strategic planning process. To attain that goal, CDBG funding may be used for a variety of purposes including community development needs, community planning, economic development needs through infrastructure and loan programs, health hazard or other urgent crises management, job creation, housing rehabilitation, and the Black Belt region initiative implemented back in 2005.

Through these goals, the short-term and long-term objectives that the State expects to achieve through expending its PY2016 funds involve serving the needs of those communities' citizens by distributing the funds in an equitable manner per the federal and state regulations and guidelines. The <u>short-term objectives</u> are designed to assist Alabama's non-entitlement communities in their immediate efforts to address important community development needs arising at the local level by encouraging these communities to develop plans for implementing infrastructure projects that will allow them to timely address and accommodate economic and development opportunities. Other immediate efforts can include providing health hazard and urgent need/emergency management assistance for these communities to access and activate when responding to disasters and crises, and providing mechanisms for them to use when addressing other development needs which can include housing rehabilitation, and infrastructure replacements and upgrades. The <u>long-term objectives</u> include providing for important community facilities intended/designed to address improving the residents' quality-of-life within the community; promoting economic development that can expand the local tax base by creating new jobs and/or retaining existing employment; and meeting the long-term affordable housing needs of low- and moderate-income Alabamians.

Name:	Alabama's CDBG Program
Category:	
Affordable Housing	☐
Public Housing	☐
Homeless	☐
Non-Homeless Special Needs	☐
Non-Housing Community Development	☑

Other	☐
If Other, specify: Disaster Recovery	
Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Availability/accessibility
Objective:	Create Economic Opportunities
Geographic Areas Included: No goal geo area available.	
Priority Needs Addresses: No goal needs available.	
Funding Allocated:	
CDBG	$21,904,212
HOME	
ESG	
HOPWA	
Other - CDBG-DR	
Total:	$21,904,212

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	Use of Money (UoM)
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	60,000	Persons Assisted
2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	45	Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit		Households Assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed		Household Housing Unit
8	Rental Units Rehabilitated		Household Housing Unit
9	Homeowner Housing Added		Household Housing Unit
10	Homeowner Housing Rehabilitated	20	Household Housing Unit
11	Direct Financial Assistance to Homebuyers		Households Assisted
12	Tenant-based Rental Assistance / Rapid Rehousing		Households Assisted
13	Homeless Person Overnight Shelter		Persons Assisted
14	Overnight / Emergency Shelter / Transitional Housing Beds added		Beds
15	Homelessness prevention		Persons Assisted

16	Jobs created / retained	1,000	Jobs
17	Businesses assisted	10	Businesses Assisted
18	Housing for Homeless added		Household Housing Unit
19	Housing for People with HIV / AIDS added		Household Housing Unit
20	HIV / AIDS Housing Operations		Household Housing Unit
21	Buildings Demolished	100	Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

HOME: For the HOME Program, the allocation to the State of Alabama for the PY2016 HOME Program equals $8,121,398. With these funds, the State plans to create as many new rental housing units across Alabama as is possible. By leveraging HOME funds with Housing Tax Credits, the HOME award per successful applicant is carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. The State estimates possibly funding 5-7 HOME projects with 200-350 units with Program Year 2016 funds, depending on the HUD allocation. At least Fifteen percent of funding will be designated for CHDOs and the remainder will be awarded to a mixture of for-profit and non-profit developers.

Also, as the administrator of the Plans, AHFA's goal is to develop written criteria for the Plans that will provide equal access to all types of affordable housing developments, which include (new construction;); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, AHFA's greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding. To that end, certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards which significantly exceed AHFA's standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project's costs exceed AHFA's definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come first-served basis, and subject to the criteria and requirements of the applicable Plan and AHFA Multifamily Housing Revenue Bond Policy.

Name:	Alabama's HOME Program
Category:	
Affordable Housing	☑

Public Housing	☐
Homeless	☐
Non-Homeless Special Needs	☐
Non-Housing Community Development	☐
Other	☐
If Other, specify: Disaster Recovery	
Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Affordability
Objective:	Provide decent affordable housing
Geographic Areas Included: No goal geo area available.	
Priority Needs Addresses: No goal needs available.	
Funding Allocated:	
CDBG	
HOME	$8,121,398
ESG	
HOPWA	
Other - CDBG-DR	
Total:	$8,121,398

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	Use of Money (UoM)
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit		Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit		Households Assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed	200	Household Housing Unit
8	Homeowner Housing Added		Household Housing Unit
90	Homeowner Housing Rehabilitated		Household Housing Unit
10	Direct Financial Assistance to Homebuyers		Households Assisted
11	Tenant-based Rental Assistance / Rapid Rehousing		Households Assisted
12	Homeless Person Overnight Shelter		Persons Assisted

13	Overnight / Emergency Shelter / Transitional Housing Beds added		Beds
14	Homelessness prevention		Persons Assisted
15	Jobs created / retained		Jobs
16	Businesses assisted		Businesses Assisted
17	Housing for Homeless added		Household Housing Unit
18	Housing for People with HIV / AIDS added		Household Housing Unit
19	HIV / AIDS Housing Operations		Household Housing Unit
20	Buildings Demolished		Buildings
21	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
22	Other		Other

ESG: For the ESG Program, the allocation to the State of Alabama for the PY2016 ESG Program equals $2,486,800. With these funds, the ESG Program may provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. The point-in-time surveys completed in 2015 for the State of Alabama documented 3,970 homeless persons. Of those, 1,027 were unsheltered and 2,943 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the objective is to create a suitable living environment, with the outcome being availability/ accessibility. For homelessness prevention and rapid re-housing activities, the objective is to provide decent affordable housing, with the outcome being affordability. These objectives will be achieved through the following goals:

ESG Program Goal #1: Reducing and ending homelessness through reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.

The point-in-time counts for 2015 showed that there were 1,027 unsheltered homeless persons in Alabama. The State's goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken:

a. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.

b. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.

c. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

ESG Program Goal #2: Reducing and ending homelessness through addressing the emergency shelter and transitional housing needs of homeless persons.

The point-in-time counts for 2015 showed that there were 2,943 homeless persons in emergency shelter and transitional housing in Alabama. The State's goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken:

a. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.

b. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

ESG Program Goal #3: Reducing and ending homelessness through helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The State's goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

ESG Program Goal #4: Reducing and ending homelessness through helping low-income individuals and families to avoid becoming homeless, especially extremely low-income individuals and families who are being discharged from publicly funded institutions and systems of care, such as healthcare facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions.

The State's goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. ESG subrecipients and second-tier subrecipients will inform those publicly-funded institutions of the available housing options in their service area. This information will be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability.

ESG Program Goal #5: Reducing and ending homelessness through helping low-income individuals and families to avoid becoming homeless, especially extremely low-income individuals and families who are receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs.

The State's goal is that ESG subrecipients' and second-tier subrecipients' case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. Case managers will work more closely with mainstream service providers and private agencies which address these needs. The case managers will provide this information to their clients and assist them in obtaining other eligible assistance.

Name:	Alabama's ESG Program
Category:	
Affordable Housing	☐
Public Housing	☐
Homeless	☑
Non-Homeless Special Needs	☐
Non-Housing Community Development	☐
Other	☐
If Other, specify: Disaster Recovery	
Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Availability/accessibility
Objective:	Create suitable living environments
Geographic Areas Included: No goal geo area available.	
Priority Needs Addresses: No goal needs available.	
Funding Allocated:	
CDBG	
HOME	
ESG	$2,486,800
HOPWA	
Other - CDBG-DR	
Total:	$2,486,800

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	Use of Money (UoM)
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit		Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit		Households Assisted
5	Façade Treatment / Business Building		Business

	Rehabilitation		
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed		Household Housing Unit
8	Rental Units Rehabilitated		Household Housing Unit
9	Homeowner Housing Added		Household Housing Unit
10	Homeowner Housing Rehabilitated		Household Housing Unit
11	Direct Financial Assistance to Homebuyers		Households Assisted
12	Tenant-based Rental Assistance / Rapid Rehousing	250	Households Assisted
13	Homeless Person Overnight Shelter	3500	Persons Assisted
14	Overnight / Emergency Shelter / Transitional Housing Beds added	3500	Beds
15	Homelessness prevention	300	Persons Assisted
16	Jobs created / retained		Jobs
17	Businesses assisted		Businesses Assisted
18	Housing for Homeless added	250	Household Housing Unit
19	Housing for People with HIV / AIDS added		Household Housing Unit
20	HIV / AIDS Housing Operations		Household Housing Unit
21	Buildings Demolished		Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

HOPWA: For the HOPWA Program, the allocation to the State of Alabama for the PY2016 HOPWA Program equals $1,530,814. With these funds, the HOPWA Program intends to address the following four public policy imperatives as its goals:

1. Make subsidized, affordable housing - including supportive housing for those who need it - available to all persons with HIV.
2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.
3. Incorporate housing as a critical element of HIV health care.
4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

To attain these goals, AIDS Alabama will use the PY2016 HOPWA funds for the following programs:

1. Rental Assistance

2. Supportive Services that include case management, support staff, housing outreach, and transportation
3. Operations of existing housing
4. Master Leasing
5. Resource Identification
6. Housing Information
7. Technical Assistance
8. Administration.

Name:	Alabama's HOPWA Program
Category:	
Affordable Housing	☐
Public Housing	☐
Homeless	☑
Non-Homeless Special Needs	☐
Non-Housing Community Development	☐
Other	☐
If Other, specify: Disaster Recovery	
Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Availability/accessibility
Objective:	Provide decent affordable housing
Geographic Areas Included: No goal geo area available.	
Priority Needs Addresses: No goal needs available.	
Funding Allocated:	
CDBG	
HOME	
ESG	
HOPWA	$1,530.814
Other - CDBG-DR	
Total:	$1,530,814

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	Use of Money (UoM)
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit		Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit		Households Assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre

7	Rental Units Constructed		Household Housing Unit
8	Rental Units Rehabilitated		Household Housing Unit
9	Homeowner Housing Added		Household Housing Unit
10	Homeowner Housing Rehabilitated		Household Housing Unit
11	Direct Financial Assistance to Homebuyers		Households Assisted
12	Tenant-based Rental Assistance / Rapid Rehousing	50	Households Assisted
13	Homeless Person Overnight Shelter		Persons Assisted
14	Overnight / Emergency Shelter / Transitional Housing Beds added		Beds
15	Homelessness prevention		Persons Assisted
16	Jobs created / retained		Jobs
17	Businesses assisted		Businesses Assisted
18	Housing for Homeless added		Household Housing Unit
19	Housing for People with HIV / AIDS added	50	Household Housing Unit
20	HIV / AIDS Housing Operations	80	Household Housing Unit
21	Buildings Demolished		Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

CDBG Disaster funds (CDBG-DR): For CDBG Disaster funds (CDBG-DR), the State expects to expend $43,156,643 in CDBG-DR disaster funds during the five year period encompassed in the 2015-2019 Five-Year Consolidated Plan. The funds will be used to correct as many issues as possible with regard to housing, economic revitalization, and infrastructure.

Name:	Alabama's CDBG-DR Disaster Program
Category:	
Affordable Housing	☐
Public Housing	☐
Homeless	☐
Non-Homeless Special Needs	☐
Non-Housing Community Development	☐
Other	☑
If Other, specify: Disaster Recovery	

Start Year:	PY2016
End Year:	PY2019 (the end of the 5-Year Plan)
Outcome:	Availability/accessibility
Objective:	Create Economic Opportunities
Geographic Areas Included: No goal geo area available.	
Priority Needs Addresses: No goal needs available.	
Funding Allocated:	
CDBG	
HOME	
ESG	
HOPWA	
Other - CDBG-DR	$6,508,388.43
Total:	$6,508,388.43

Goal Outcome Indicator

#	Goal Outcome Indicator	Quantity	Use of Money (UoM)
1	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	15,000	Persons Assisted
2	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	15,000	Households Assisted
3	Public Service Activities other than Low/Moderate Income Housing Benefit		Persons Assisted
4	Public Service Activities for Low/Moderate Income Housing Benefit		Households Assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed	150	Household Housing Unit
8	Rental Units Rehabilitated		Household Housing Unit
9	Homeowner Housing Added	10	Household Housing Unit
10	Homeowner Housing Rehabilitated	300	Household Housing Unit
11	Direct Financial Assistance to Homebuyers	10	Households Assisted
12	Tenant-based Rental Assistance / Rapid Rehousing		Households Assisted
13	Homeless Person Overnight Shelter		Persons Assisted
14	Overnight / Emergency Shelter / Transitional Housing Beds added		Beds
15	Homelessness prevention		Persons Assisted
16	Jobs created / retained	200	Jobs
17	Businesses assisted	25	Businesses Assisted

18	Housing for Homeless added		Household Housing Unit
19	Housing for People with HIV / AIDS added		Household Housing Unit
20	HIV / AIDS Housing Operations		Household Housing Unit
21	Buildings Demolished	1	Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME [see 24 CFR §91.315(b)(2)]:

HOME: An analysis of the last five* CAPER *Exhibit C – Summary of Housing Accomplishments* tables shows the following breakdown of HOME beneficiaries by income group:

Program Year 2014
0-30% MFI 19% Extremely Low-Income
31-50% MFI 61% Low-Income
51-80% MFI 20% Moderate Income

Program Year 2013
0-30% MFI 16% Extremely Low-Income
31-50% MFI 52% Low-Income
51-80% MFI 32% Moderate Income

Program Year 2012
0-30% MFI 20% Extremely Low-Income
31-50% MFI 52% Low-Income
51-80% MFI 28% Moderate Income

Program Year 2011
0-30% MFI 25% Extremely Low-Income
31-50% MFI 52% Low-Income
51-80% MFI 23% Moderate Income

Program Year 2010
0-30% MFI 13% Extremely Low-Income
31-50% MFI 63% Low-Income
51-80% MFI 24% Moderate Income

*NOTE: The Program Year 2014 CAPER was submitted to HUD by June 30, 2015. The Program Year 2015 CAPER is due to be submitted to HUD by June 30, 2016.

The preceding statistics indicate that, historically, the bulk of HOME units that go into service each year are rented by Low-income Alabamians, or families at 31-50% MFI. Smaller percentages of Extremely Low-Income and Moderate-Income renters also benefit from the use of State HOME funding. If the annual HOME allocation from HUD allows the production of 200 units of affordable rental housing, it is estimated that 20% or 40 will be extremely low-income, 53% or 106 will be low-income, and 27% or 54 will be moderate-income. The actual number of beneficiaries will depend upon the amount of HOME funds the State will receive over the five years included in the Five-Year Consolidated Plan (2015-2019).

CDBG Disaster (CDBG-DR): 3,000 families.

AP-35 Projects (Optional)

Introduction:

The projects authorized to be funded under each of Alabama's HUD-funded Programs (CDBG, HOME, ESG, and HOPWA, as well as the CDBG Disaster funds/CDBG-DR) are further identified and described below.

Projects:

CDBG: Alabama's PY2016 CDBG funds in the amount of $21,904,212 will be divided among the following 8 project areas: (1) County funds = $2,750,000 is estimated to be awarded through grants in the amount of $350,000 each; (2) Large City funds (for cities with a population of 3,001 or more) = $5,000,000 is estimated to be awarded through grants in the amount of $450,000 each; (3) Small City funds (for cities with a population of 3,000 or less) = $5,772,086 is estimated to be awarded through grants in the amount of $350,000 each; (4) Economic Development funds = $4,500,000 is estimated to be awarded through grants in the amount of $200,000 each; (5) Community Enhancement funds = $3,000,000 is estimated to be awarded through grants in the amount of $250,000 each; (6) Planning funds = $125,000 is estimated to be awarded through grants in the amount of $40,000 each; (7) Technical Assistance funds = $219,042 is estimated to be expended in the provision of technical assistance services by the ADECA CDBG staff to grant applicants and grant recipients; and (8) Administration funds = $538,084 is estimated to be expended in the provision of grant management and administrative services by the ADECA CDBG staff in managing the PY2016 CDBG grant funds.

1. The County Fund is a reservation of money for county governments that is awarded on a competitive basis, and eligible applicants include all counties, except Jefferson and Mobile, which meet the threshold eligibility requirements.
2. The Large City Fund is a reservation of money for larger municipalities that is awarded on a competitive basis, and eligible applicants include all of Alabama's non-entitlement cities with a 2010 Census population of 3,001 or more, which cities are not members of the Jefferson or Mobile County consortiums, and which meet the threshold eligibility requirements.
3. The Small City Fund is a reservation of money for small cities/towns that is awarded on a competitive basis, and eligible applicants include all of Alabama's cities or towns with a 2010 Census population of 3,000 or less, which cities are not members of the Jefferson or Mobile County consortiums, and which meet the threshold eligibility requirements.
4. The Economic Development Fund is used to assist activities necessary for economic development projects that are based on job creation or job retention, and these funds are allocated on a continual basis – the grant applications for which may be submitted anytime during the program year. Eligible applicants include all of Alabama's non-entitlement local governments that meet the threshold eligibility requirements.

5. The Community Enhancement Fund is a reservation of money for eligible CDBG activities which communities consider important to enhance the quality of life for that community's residents, and eligible applicants include non-entitlement local governments which meet the threshold eligibility requirements.

6. The Planning Fund is a reservation of money for local governments who demonstrate the need for local planning, and eligible applicants include all non-entitlement local governments that meet the threshold eligibility requirements.

7. The Technical Assistance Fund is a reservation of money for ADECA to provide technical assistance to Alabama's communities to render their effective participation in the CDBG Program, to increase local capacities, and to address other eligible purposes.

8. The Administration Fund is a reservation of money for ADECA's staff to effectively manage the CDBG program, and these funds will be matched on a dollar-for-dollar basis; the exception being the $100,000 that does not require a match, as that amount is reserved for Planning purposes for ADECA to prepare or to contract for the preparation of a 5-Year Consolidated Plan, a 1-Year Annual Action Plan, and/or an Analysis of Impediments to Fair Housing Choice.

Additionally, ADECA can fund the following 5 types of projects: (9) Section 8 Loan Guarantee projects, (10) Recaptured Funds projects, (11) Black Belt Region projects, (12) Urgent Need projects, and (13) Joint projects.

9. The Section 8 Loan Guarantee projects allow communities a chance to seek, through the HUD Secretary, loan guarantees for the purpose of financing economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. Alabama does not obligate funds for loan guarantees that exceed $10,000,000 per project, nor funds for loan guarantees in excess of the HUD-established limit per year. In instances of exceptional economic impact, a waiver on the loan guarantee ceiling may be granted. Alabama may use the Economic Development Fund, the Recaptured Fund, Program Income funds, or other funds to provide credit toward and/or make payments on Section 108 Loan Guarantee projects.

10. The Recaptured Fund consists of any CDBG funds returned to Alabama during the program year, except Program Income as defined by applicable regulations. ADECA's Director, at his discretion, may use Recaptured Funds to fund Black Belt Region Projects, and may also use the funds to assist eligible/fundable projects being funded from any of the 8 primary fund categories. Recaptured funds may pay the State's financial commitments caused by Section 108 Loan underpayments and/or the nonpayment of Float Loans. Money expended from the Recaptured Fund will be awarded by ADECA based on the criteria applicable to each individual fund. Additionally, Recaptured funds may be expended to amend grants from any prior-year grant or current-year grant as and when warranted by the circumstances presented to ADECA in the grantee's amendment request. Such amendments may cause the original grant amount to exceed formerly-applicable grant ceilings to necessarily and satisfactorily address the amended project's needs and National Objectives. Factors to be considered when evaluating such requests include (i) the positive impact (on low and moderate income persons or other National Objectives) expected to be realized if the amendment is approved versus the negative impact if the amendment is not approved, (ii) the efforts taken by the grantee to address those circumstances requiring the amendment before requesting such amendment from ADECA, (iii) the economic distress of that grantee as presented in the amendment request, and (iv) other extenuating or unusual circumstances which may have caused the situation necessitating the amendment request.

11. The Black Belt Project Fund assists projects in Alabama's twelve counties comprising the Black Belt Region of the State: Bullock, Choctaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Pickens, Perry, Sumter, and Wilcox Counties. The Black Belt Project Fund can include up to $1 million contributed from Recaptured funds as well as transferred balances from the other Funds herein listed that are not required or are not sufficient to fund the entirety of one project or the majority of projects applied for within a respective Fund. No separate grant application is required for Black Belt Project funds; however, those unfunded applications received from the twelve Black Belt counties - including communities within those counties – which unsuccessfully sought money from the other Funds will be considered for funding under the Black Belt Project Fund. And grant award decisions for those particular applications are not constrained by the rating system used to determine awards made from the other Funds, but instead are based upon the benefits or impacts such projects are expected to have on the community and the region. ADECA can also exercise necessary discretion in allowing alterations to designs and grant requests in efforts to maximize the benefits for the affected community/region.

12. The Urgent Need Fund allows eligible communities to apply for grant funds that will address urgent needs resulting from recent disasters/events that are generally not older than 18 months (for example, storms and resulting flooding) that pose serious and immediate threats to the health or welfare of the community. Urgent Need funded projects are not subject to grant ceilings, timing, match requirements, or other limitations. ADECA's Director can exercise full discretion by transferring into the Urgent Need Fund any available funds from the other Fund categories, making those projects considered as "special fund category" projects.

13. The Joint Project Fund allows two or more communities to jointly carry out activities to address their mutual needs. Joint Project applications will not be considered when the benefits accruing to additional jurisdiction(s) are purely of a secondary nature or account for less than 30 percent of the total project beneficiaries; in such cases, the additional jurisdiction(s) will not be subject to the applicable thresholds. Also, an application for a single grant can be considered for funding as a Joint Project if two or more communities benefit from that project and each community accounts for 30 percent or more of the beneficiaries; in such cases, the total number of beneficiaries as well as the number of beneficiaries in each community must meet the National Objective, and the community with 50 percent or more beneficiaries will be subject to the State's thresholds and restrictions. Additionally, each community with 30 percent or more beneficiaries must meet separate citizen participation requirements, assess housing and community needs of low and moderate income persons, and become a party to a Memorandum of Understanding that delineates the appropriate responsibilities. A Joint Project application may seek a multi-grant ceiling if the resulting benefits for each community are sufficiently significant to qualify as a separate grant, and such projects will be filed under the joint names of the participating jurisdictions but wherein each community will be separately subject to the State's threshold requirements. For such projects, each community must meet separate citizen participation requirements, assess the housing and community development needs of low and moderate income persons, become a party to a Memorandum of Understanding that delineates the appropriate responsibilities, and the State to permit one participating community to serve as lead applicant for grant administration purposes. Applicants for Joint Project funds who are seeking multi-grant ceilings must first review their projects with ADECA prior to submitting the grant applications for rating. All Joint Project Fund applications will be rated to ensure maximization of efficiency and materialization of project impacts.

HOME: Alabama's PY2016 HOME funds are in the amount of $8,121,398. The Alabama Housing Finance Authority (AHFA) is the State entity that serves as a public corporation dedicated to creating housing opportunities for low- and moderate-income citizens in Alabama through affordable financing of safe and sanitary single-family and multi-family housing. AHFA will issues tax-exempt mortgage revenue bonds that provide millions of dollars in financing for first-time home buyers. AHFA will continue to be governed by a Board of Directors whose members are appointed by the Governor (who appoints one member from each of Alabama's seven congressional districts and consisting of two home builders, two real estate brokers, a lender, a mayor, a county commissioner, and a State-at-large member), the Lieutenant Governor and the Speaker of the House (each of whom appoints two members). The State's Finance Director, Treasurer, and Superintendent of Banks also serve as members, but in an ex officio role. The Board will continue to provide policy direction, authorize bond issues and program development, and evaluate AHFA's efforts. AHFA will continue to be responsible for preparing Alabama's housing needs assessment and strategy under the HOME Program as a prerequisite for Alabama to receive federal dollars for housing. AHFA will continue to prepare and maintain an extensive list of relevant parties from whom to make inquiries and gather information in the form of questionnaires and surveys which AHFA will submit to State agencies, service providers, housing directors, and individuals. Based on the collected information and data, AHFA will compile the blueprint document for creating affordable housing across Alabama.

ESG: For the ESG Program, the allocation to the State of Alabama for the PY2016 ESG Program equals $2,486,800. The projects that may be funded with these funds include providing assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assisting with paying operating costs of such facilities, providing essential services to both sheltered and unsheltered homeless persons, helping prevent homelessness, re-housing homeless persons, and assisting in the costs of administering HMIS activities.

The point-in-time surveys completed in 2015 for the State of Alabama documented 3,970 homeless persons. Of those, 1,027 were unsheltered and 2,943 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in this Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the projects are to create a suitable living environment, with the outcome being availability/accessibility. For homelessness prevention and rapid re-housing activities, the projects are to provide decent affordable housing, with the outcome being affordability.

Because the State's ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State chose to allow its subrecipients to determine their priority needs at the local level. Therefore, each service-related ESG activity (street outreach, emergency shelter, homelessness prevention, and rapid re-housing) may be considered a priority. However, various obstacles to addressing underserved community needs exist across the State. In the rural counties, transportation is a major issue. Nonexistent public transportation limits access to mainstream resources. Dwindling funding for mainstream resources at various levels of government further negatively impact the needs of persons experiencing homelessness. The shortage of affordable permanent housing presents another obstacle. Job loss, unemployment, and the lack of affordable healthcare are also obstacles.

HOPWA: Alabama's PY2016 HOPWA funds are in the amount of $1,530,814. AIDS Alabama will administer five types of housing programs geared toward persons living with HIV and AIDS. These five housing programs are available to all eligible persons throughout the State. These programs are:

1. Rental Assistance: AIDS Alabama provides a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance consists of three types:
   a. Short-Term Rent, Mortgage, and Utility Assistance (STRMU): This assists households facing a housing emergency or crisis that could result in displacement from their current housing or result in homelessness. The recipient must work with a case manager to maintain a housing plan designed to increase self-sufficiency and to avoid homelessness.
   b. Tenant-Based Rental Assistance (TBRA): This is ongoing assistance paid to a tenant's landlord to cover the difference between market rents and what the tenant can afford to pay. Tenants find their own units and may continue receiving the rental assistance as long as their income remains below the qualifying income standard and other eligibility criteria are met. However, the tenant must have a long-term housing plan to pursue Section 8 or other permanent mainstream housing options.
   c. Project-Based Rental Assistance (PBRA): This offers low-income persons with HIV/AIDS the opportunity to occupy housing units that have been developed and maintained specifically to meet the growing need for low-income units for this population.
   d. Master Leasing category offers one unit that operates in the Mobile area.
2. Emergency Shelter: Two emergency shelters with beds dedicated to HIV/AIDS consumers operates in Alabama. The shelters are managed by the Health Services Center of Anniston and AIDS Alabama, Inc. Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State. These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others. AIDS Alabama partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters. AIDS Alabama has completed the process of converting the Rectory into an emergency shelter-based program.
3. Transitional Housing and the Living in Balance Chemical Addiction Program (LIBCAP): The Transitional Housing Program is available to homeless, HIV-positive individuals throughout Alabama. This program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem. LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.
4. Permanent Housing: Permanent housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:
   a. Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS. There are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes.

b. Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit.

c. The Mustard Seed triplex offers three one-bedroom units in Birmingham.

d. Family Places is a Birmingham-based program comprised of five two- and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS. As a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate.

e. Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA. An additional house in Dadeville is also used for the project. ARAP was funded in 1995 by HUD's HOPWA Competitive program and is still being funded. Historically it has been operated through a Master Leasing program, AIDS Alabama requested and received approval to convert to a TBRA based program in 2014.

f. The Le Project, AIDS Alabama's newest housing program, offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families. While a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits.

5. Service Enriched Housing: Service Enriched housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

a. The only program in the State of its kind, JASPER House in Birmingham offers 14 beds in a single room occupancy model for persons who are unable to live independently due to their dual HIV and mental illness diagnoses. All occupants are low-income; the project is funded through HUD as a HOPWA Competitive grant and is certified as an Adult Residential Care facility by the Alabama Department of Mental Health.

CDBG Disaster (CDBG-DR): For CDBG Disaster funds (CDBG-DR), the projects authorized to be funded under Alabama's CDBG-DR program are further identified and described at the following website: http://adeca.alabama.gov/Divisions/ced/cdp/Pages/CDBG-Disaster.aspx.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs:

CDBG: Alabama's allocation priorities for CDBG funds among the eight project areas (County, Large City, Small City, Economic Development, Community Enhancement, Planning, Technical Assistance, and Administration) and the five additional fund categories (Section 108 Loan Guarantees, Recaptured Funds, Black Belt projects, Urgent Need projects, and Joint projects) are based on the reasoning that HUD has entrusted the State with CDBG Program funds to address the Program's three National Objectives: (1) to be of benefit to persons of low and moderate income, (2) to aid in the prevention or elimination of slums and blight, and (3) to meet urgent community needs that pose a serious and immediate threat to the health or welfare of the community wherein other financial resources are not available. The reasoning for these allocation priorities is that by developing these allocation priorities, ADECA can employ them as a guideline that assists grant applicants in developing local projects that focus on meeting one or more of the Program performance goals that are designed to create suitable living environments, provide decent affordable housing, and/or create economic opportunities for the citizens residing in those communities. And because each funded project is required to demonstrate the ability to improve the availability or accessibility of units or services, improve the affordability of housing or other services, and/or improve the sustainability by promoting viable communities, these allocation priorities will have a positive impact on the State's plan to expend at least 80 percent (80%) of the PY2016 CDBG funds for activities that will primarily benefit low and moderate income persons, and the remaining 20 percent (20%) of the funds to prevent or eliminate slums and blight and to assist communities with imminent threats to public health and safety. Such allocations will ensure that the State implements this 80%-20% distribution of funds plan.

The major obstacle to addressing underserved needs would be the lack of an appropriate amount of funds that could continually be made available for expenditure on addressing the entirety of CDBG Program's issues facing Alabama's non-entitlements areas. There are always more – and evolving – needs than there are moneys available to address those needs. In using taxpayer dollars in concert with private dollars as a continual infusion of funds from all levels of government – federal, state, county, and city – and from affected public and private entities, businesses, and citizens, such accumulation would assist in eliminating this obstacle.

Another major obstacle is the degree of attention that is focused upon these CDBG Program needs. If attention is continually focused upon addressing the targeted activities through to their fruition, then goals and intended results are more likely to be achieved/realized. Conversely, if attention is not continually focused upon addressing the targeted activities through to their fruition – due to numerous interferences that demand immediate attention and action (such as unexpected disasters or other urgent needs), then goals and intended results are less likely to be achieved/ realized and more likely to be supplanted or replaced, or become less important and fade into the background due to other urgent needs and/or changing political leadership and varying priorities that intervene as time passes.

An additional obstacle is the lack of knowledge and understanding of Alabama's fair housing laws on the part of both housing providers and housing consumers, as was pointed out in the 2014-2015 "Analysis of Impediments to Fair Housing Choice." With one focal point of the CDBG Program being "to affirmatively further fair housing," the ability to address underserved needs on this point can be improved by expending CDBG funds to conduct outreach and education to both the providers and consumers on the fair housing laws, mortgage and credit-related laws, and consumers' rights under those state and federal fair housing laws.

Finally, what can also be considered as an obstacle would be a local community's inability to apply for CDBG funds - whether it be due to its lack of matching funds to contribute to a project (and subsequent failure to seek and obtain from ADECA a waiver of such matching funds requirement), or its political leadership not wanting to be beholden to HUD funding and all of its accompanying compliance requirements, or the lack of its desire to assist its residents within its borders, or for various other reasons. Even though many local governments exist with Alabama's non-entitlement areas of the State, not all of those local governments - who are eligible - submit applications for annual CDBG funding, so attaining the goals of the established funding priorities will not be accomplished within those locations.

HOME: The AHFA's allocation priorities for the PY2016 HOME Program funds include focusing on new construction of multifamily rental housing across Alabama. The reason for this is that the intent of the HOME Program is for tenants to include families, elderly citizens, and special needs households, all of whom are to be low-income and in need of affordable housing units. With these priorities, AHFA can create as many new rental housing units across Alabama as is possible.

By leveraging HOME Program funds with Housing Tax Credits, the HOME award per successful applicant will be carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. AHFA anticipates that its PY2016 allocation will be able to fund 5-7 HOME projects with 200-350 units. AHFA will also designate at least15 percent of the funding for CHDOs, and award the remainder of those funds to a mixture of for-profit and non-profit developers.

Also, as the administrator of the Plans, AHFA's priority is to develop written criteria that will provide equal access to all types of affordable housing developments, which include new construction, diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.), and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.).

In attempting to reach varied needs and population types across the state, AHFA's greatest obstacle is the challenge to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding. To that end, certain perceived scoring impediments for a particular type of organization can be offset by other incentives, which may not be necessarily applicable to other types of organizations. In addition, these Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards which significantly exceed AHFA's standards, or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project's costs exceed AHFA's definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come first-served basis, and subject to the criteria and requirements of the applicable Plan and the AHFA Multifamily Housing Revenue Bond Policy.

ESG: The ESG Program's funding priorities are stated herein under sections AP-20 and AP-35. ESG Program funds may provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. In an effort to address the State's priority needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the priority is to create a suitable living environment, with the outcome being availability/accessibility. For homelessness prevention and rapid re-housing activities, the priority is to provide decent affordable housing, with the outcome being affordability. Because the State's ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State is choosing to allow its subrecipients to determine their priority needs at the local level. Therefore, each service-related ESG activity (street outreach, emergency shelter, homelessness prevention, and rapid re-housing) may be considered a priority.

Various obstacles to addressing underserved community needs exist across the State. In the rural counties, transportation is a major issue. Nonexistent public transportation limits access to mainstream resources. Dwindling funding for mainstream resources at various levels of government further negatively impact the needs of persons experiencing homelessness. The shortage of affordable permanent housing presents another obstacle. Job loss, unemployment, and the lack of affordable healthcare are also obstacles.

HOPWA: For HOPWA funds, the allocation priorities are based on AIDS Alabama's research conducted for its needs assessment - that includes input from local governments and persons seeking and receiving AIDS Alabama's services. The needs of the target population were primarily determined by five sources of data:

1. The 2010 Comprehensive Statewide Needs Assessment performed by AIDS Alabama (AIDS Alabama will be updating its Needs Assessment in the future);
2. The 2009, 2010, and 2011 National AIDS Housing Coalition's (NAHC) North American Housing and HIV/AIDS Research Summits;
3. The Point-in-Time survey completed by One Roof, the local Continuum of Care, and Continuum of Care membership agencies, with the latest data being from January, 2014;
4. The 2013 Central Alabama Ryan White Statewide Coordinated Assessment of Need; and
5. The 2009-2013 Comprehensive Plan for HIV Prevention in Alabama that was conducted by the Alabama Department of Public Health.

There have never been more people living in Alabama with HIV disease than there are now. The needs of this population are critical and not unlike those of other vulnerable populations, as the population's 2009 average income was less than $950 per month, compared to $1,894 for that year's state per capita median monthly income. Recent findings from the National AIDS Housing Coalition state that "…3% to 10% of all homeless persons are HIV-positive – ten times the rate of infection in the general population." This issue becomes more apparent when viewed locally. According to the 2012 Birmingham Area Point In Time Survey, eight percent (8%) of all homeless persons surveyed were HIV-positive. The 2010 AIDS Alabama survey indicated gaps in the availability of housing assistance for homeless persons. Of the 537 HIV-positive persons interviewed, almost 10% indicated that they were homeless or living in temporary housing. An additional 28% indicated that they were doubling up with friends or family. More than half the total persons interviewed felt that their housing situations were unstable. The 2010 Needs Assessment found that 37% of all HIV-positive households interviewed were in immediate need of some form of housing assistance. Furthermore, the need for transitional and permanent supportive housing is apparent, as permanent supportive housing for the chronically homeless is the highest priority of the local Continuum of Care.

The PY2016 HOPWA Program allocation to the State of Alabama equals $1,530,814. Given the preceding statistics and needs represented, AIDS Alabama's allocation priorities for expending those funds are as follows:

1. Rental Assistance
2. Supportive Services (including case management, support staff, housing outreach, and transportation)
3. Operations of existing housing
4. Master Leasing
5. Resource Identification
6. Housing Information
7. Technical Assistance
8. Administration.

The lack of enough funding, the continually-rising population of AIDS and HIV-positive persons who need services, and the lack of more service providers established to address those needs, all comprise AIDS Alabama's obstacles to addressing the remaining underserved needs of the AIDS and HIV- positive population.

CDBG Disaster (CDBG-DR): For CDBG Disaster funds (CDBG-DR), the allocation priorities were based on the State's Needs Assessment in its HUD-approved Action Plan and from input from local governments and public meetings. The lack of funding is the State's obstacle to addressing remaining underserved needs.

PROJECT:

CDBG: For CDBG PY2016 funds:

Grantee / PJ Name: Alabama Department of Economic and Community Affairs (ADECA).

Program Year: PY2016

IDIS Project ID: See the HUD IDIS System for this information at https://idis.hud.gov or contact the Alabama Department of Economic and Community Affairs (ADECA) for this individual project identification information.

Project Title: Alabama's PY2016 Community Development Block Grant Program.

Grantee / PJ Project ID: Contact the Alabama Department of Economic and Community Affairs (ADECA) for this individual grant project identification information.

Description: The CDBG Program's general allocation priorities are as follows. The CDBG Program's funds may only be expended in the State of Alabama's non-entitlement communities. These non-entitlements are those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. All eligible non-entitlement communities may apply for CDBG funds, and compete for these funds in 6 funding categories: (1) the County Fund, (2) the Large City Fund - for cities with a population of 3,001 or more per the most recent U.S. Census, (3) the Small City Fund - for cities with a population of 3,000 or less per the most recent U.S. Census, (4) the Community Enhancement Fund, (5) the Planning Fund, and (6) the Economic Development Fund. The remaining CDBG funds are set aside for (7) the State's Grant Administration allocation, and (8) the State's Technical Assistance allocation. Additional categories can include funds for Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects.

Allow Another Organization to Set Up Activities Under This Project: No.

Assign Sponsor for this Project (only for HOPWA or HOPWA-C programs): Not applicable.

Grant # (only for HOPWA-C program): Not applicable.

HOME: For HOME PY2016 funds:

Grantee / PJ Name: Alabama Housing Finance Authority (AHFA)

Program Year: PY2016

IDIS Project ID: See the HUD IDIS System for this information at https://idis.hud.gov or contact the Alabama Housing Finance Authority (AHFA) for this individual project identification information.

Project Title: Alabama's PY2016 HOME Program

Grantee / PJ Project ID: Contact the Alabama Housing Finance Authority (AHFA) for this individual grant project identification information.

Description: The HOME Program's general allocation priorities are as follows. For the HOME Program, the State will conduct an annual competitive funding cycle for HOME funds. As required by HOME regulations, AHFA, as administrators of the State of Alabama HOME Program, will develop selection criteria to determine housing priorities for the State. The selection criteria includes ranking each project in accordance with its location with an effort to limit awards to one per county annually, fulfillment of housing needs, project and applicant characteristics, and participation of local tax-exempt organizations. AHFA also utilizes an evaluation process whereby preference is given to projects which serve 1) the lowest-income tenants and 2) qualified tenants for the longest periods. Lastly, AHFA develops compliance monitoring procedures to test for compliance with HOME regulations and for notifying HUD of noncompliance. Each year, the HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain priorities to be used in the distribution of HOME funds. At this time, AHFA seeks to promote the following housing priorities in the allocation cycles for 2016 and through 2019: (1) Projects that add to the affordable housing stock; (2) Projects, which, without HOME funds, would likely not set aside units for lower income tenants, inclusive of tenants with disabilities and/or those who are homeless; (3) Projects which use additional assistance through federal, state, or local subsidies; and (4) Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

Allow Another Organization to Set Up Activities Under This Project: No.

Assign Sponsor for this Project (only for HOPWA or HOPWA-C programs): Not applicable.

Grant # (only for HOPWA-C program): Not applicable.

ESG: For ESG PY2016 funds:

Grantee / PJ Name: Alabama Department of Economic and Community Affairs (ADECA).

Program Year: PY2016

IDIS Project ID: See the HUD IDIS System for this information at https://idis.hud.gov or contact the Alabama Department of Economic and Community Affairs

(ADECA) for this individual project identification information.

Project Title: Alabama's PY2016 Emergency Solutions Grant Program

Grantee / PJ Project ID: Contact the Alabama Department of Economic and Community Affairs (ADECA) for this individual grant project identification information.

Description: The ESG Program's general allocation priorities are that the ESG Program may provide funding assistance to all areas of the State of Alabama.

Allow Another Organization to Set Up Activities Under This Project: No.

Assign Sponsor for this Project (only for HOPWA or HOPWA-C programs): Not applicable.

Grant # (only for HOPWA-C program): Not applicable.

HOPWA: For HOPWA PY2016 funds:

Grantee / PJ Name: AIDS Alabama

Program Year: PY2016

IDIS Project ID: See the HUD IDIS System for this information at https://idis.hud.gov or contact AIDS Alabama for this individual project identification information.

Project Title: Alabama's PY2016 Housing Opportunities for Persons With AIDS (HOPWA) Program

Grantee / PJ Project ID: Contact AIDS Alabama for this individual grant project identification information.

Description: The HOPWA Program's general allocation priorities are as follows. AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

Allow Another Organization to Set Up Activities Under This Project: AIDS Alabama

Assign Sponsor for this Project (only for HOPWA or HOPWA-C programs): AIDS Alabama

Grant # (only for HOPWA-C program): Not applicable.

Estimated Amount (Including Program Income):

Section 108 Loan Amount	Unknown at this time
CDBG	$21,904,212
HOME	$8,121,398
ESG	$2,486,800
HOPWA	$1,530,814
CDBG-R	Unknown at this time
HPRP	Unknown at this time
TCAP	Unknown at this time
HESG	Unknown at this time
HOPWA-C	Unknown at this time
Total	Unknown at this time

Expected Resources:

CDBG	$21,904,212
HOME	$8,121,398
HOPWA	$2,486,800
ESG	$1,530,814

Annual Goals Supported:

CDBG: See this Plan herein at Section SP-45 Goals, and at AP-20 Annual Goals and Objectives.

HOME: See this Plan herein at Section SP-45 Goals, and at AP-20 Annual Goals and Objectives.

ESG: See this Plan herein at Section SP-45 Goals, and at AP-20 Annual Goals and Objectives.

HOPWA: See this Plan herein at Section SP-45 Goals, and at AP-20 Annual Goals and Objectives.

Priority Needs Addressed:

CDBG: See this Plan herein at Section SP-25 Priority Needs.

HOME: See this Plan herein at Section SP-25 Priority Needs.

ESG: See this Plan herein at Section SP-25 Priority Needs.

HOPWA: See this Plan herein at Section SP-25 Priority Needs.

Target Date for Completion:

CDBG: March 31, 2017.

HOME: March 31, 2017.

ESG: March 31, 2017.

HOPWA: March 31, 2017.

Estimate the number and type of families that will benefit from the proposed activities:

CDBG: See this Plan herein at Section SP-45 Goals and at SP-46 Edit Goals.

HOME: See this Plan herein at Section SP-45 Goals and at SP-46 Edit Goals.

ESG: See this Plan herein at Section SP-45 Goals and at SP-46 Edit Goals.

HOPWA: See this Plan herein at Section SP-45 Goals and at SP-46 Edit Goals.

Location Description (NOTE: If applicable, include the addresses where activities will be undertaken):

CDBG: See this Plan herein at Section SP-10 Geographic Priorities.

The CDBG Program's funds may only be expended in the State of Alabama's non-entitlement communities. These non-entitlements are those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. All eligible non-entitlement communities may apply for CDBG funds, and compete for these funds in 6 funding categories: (1) the County Fund, (2) the Large City Fund - for cities with a population of 3,001 or more per the most recent U.S. Census, (3) the Small City Fund - for cities with a population of 3,000 or less per the most recent U.S. Census, (4) the Community Enhancement Fund, (5) the Planning Fund, and (6) the Economic Development Fund. The remaining CDBG funds are set aside for (7) the State's Grant Administration allocation, and (8) the State's Technical Assistance allocation. Additional categories can include funds for Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects.

HOME: See this Plan herein at Section SP-10 Geographic Priorities.

For the HOME Program, the State will conduct an annual competitive funding cycle for HOME funds. As required by HOME regulations, AHFA, as administrators of the State of Alabama HOME Program, will develop selection criteria to determine housing priorities for the State. The selection criteria includes ranking each project in accordance with its location with an effort to limit awards to one per county annually, fulfillment of housing needs, project and applicant characteristics, and participation of local tax-exempt organizations. AHFA also utilizes an evaluation process whereby preference is given to projects which serve 1) the lowest-income tenants and 2) qualified tenants for the longest periods. Lastly, AHFA develops compliance monitoring procedures to test for compliance with HOME regulations and for notifying HUD of noncompliance. Each year, the HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain priorities to be used in the distribution of HOME funds. At this time, AHFA seeks to promote the following housing priorities in the allocation cycles for 2016 and through 2019: (1) Projects that add to the affordable housing stock; (2) Projects, which, without HOME funds, would likely not set aside units for lower income tenants, inclusive of tenants with disabilities and/or those who are homeless; (3) Projects which use additional assistance through federal, state, or local subsidies; and (4) Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

ESG: See this Plan herein at Section SP-10 Geographic Priorities.

The ESG Program's general allocation priorities are as follows. The ESG Program may provide funding assistance to all areas of the State of Alabama.

HOPWA: See this Plan herein at Section SP-10 Geographic Priorities.

The HOPWA Program's general allocation priorities are as follows. AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

Target Areas Included:

CDBG: See this Plan herein at Section SP-10 Geographic Priorities.

The CDBG Program makes its grant funding available to the non-entitlement areas of the State of Alabama, which are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. Additional funds can be allocated for Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects.

HOME: See this Plan herein at Section SP-10 Geographic Priorities.

The HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain priorities to be used in the distribution of HOME funds. At this time, AHFA seeks to promote the following housing priorities in the allocation cycles for 2016 and through 2019: (1) Projects that add to the affordable housing stock; (2) Projects, which, without HOME funds, would likely not set aside units for lower income tenants, inclusive of tenants with disabilities and/or those who are homeless; (3) Projects which use additional assistance through federal, state, or local subsidies; and (4) Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

ESG: See this Plan herein at Section SP-10 Geographic Priorities.

The ESG Program may provide funding assistance to all areas of the State of Alabama. There is no identified target area.

HOPWA: See this Plan herein at Section SP-10 Geographic Priorities.

AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

Planned Activities:

CDBG: See this Plan herein at Section SP-10 Geographic Priorities.

All eligible non-entitlement communities may apply for CDBG funds, and compete for these funds in 6 funding categories: (1) the County Fund, (2) the Large City Fund - for cities with a population of 3,001 or more per the most recent U.S. Census, (3) the Small City Fund - for cities with a population of 3,000 or less per the most recent U.S. Census, (4) the Community Enhancement Fund, (5) the Planning Fund, and (6) the Economic Development Fund. The remaining CDBG funds are set aside for (7) the State's Grant Administration allocation, and (8) the State's Technical Assistance allocation. Additional categories can include funds for Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects

HOME: See this Plan herein at Section SP-10 Geographic Priorities.

The HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain priorities to be used in the distribution of HOME funds. At this time, AHFA seeks to promote the following housing priorities in the allocation cycles for 2016 and through 2019: (1) Projects that add to the affordable housing stock; (2) Projects, which, without HOME funds, would likely not set aside units for lower income tenants, inclusive of tenants with disabilities and/or those who are homeless; (3) Projects which use additional assistance through federal, state, or local subsidies; and (4) Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

ESG: See this Plan herein at Section SP-10 Geographic Priorities.

The ESG Program may provide funding assistance to all areas of the State of Alabama.

HOPWA: See this Plan herein at Section SP-10 Geographic Priorities.

AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

Goal Outcome Indicators:

No.	Goal Outcome Indicator	Quantity	Unit of Measures
1	Public Facility or Infrastructure Activities Other Than Low / Moderate Income Housing Benefit		Persons assisted
2	Public Facility or Infrastructure Activities for Low / Moderate Income Housing Benefit		Households assisted
3	Public Service Activities Other Than Low / Moderate Income Housing Benefit		Persons assisted
4	Public Service Activities for Low / Moderate Income Housing Benefit		Households assisted
5	Façade Treatment / Business Building Rehabilitation		Business
6	Brownfield Acres Remediated		Acre
7	Rental Units Constructed		Household Housing Unit
8	Rental Units Rehabilitated		Household Housing Unit
9	Homeowner Housing Added		Household Housing Unit
10	Homeowner Housing Rehabilitated		Household Housing Unit
11	Direct Financial Assistance to Homebuyers		Households assisted
12	Tenant-Based Rental Assistance / Rapid Rehousing		Households assisted
13	Homeless Person Overnight Shelter		Persons assisted
14	Overnight Emergency Shelter / Transitional Housing Beds Added		Beds
15	Homelessness Prevention		Persons assisted
16	Jobs Created/Retained		Jobs
17	Businesses Assisted		Businesses assisted
18	Housing for Homeless Added		Household Housing Unit
19	Housing for People with HIV/AIDS Added		Household Housing Unit
20	HIV/AIDS Housing Operations		Household Housing Unit
21	Buildings Demolished		Buildings
22	Housing Code Enforcement / Foreclosed Property Care		Household Housing Unit
23	Other		Other

CDBG: See this Plan herein at Section SP-45 Goals and at SP-46 Edit Goals.

HOME: See this Plan herein at Section SP-45 Goals and at SP-46 Edit Goals.

ESG: See this Plan herein at Section SP-45 Goals and at SP-46 Edit Goals.

HOPWA: See this Plan herein at Section SP-45 Goals and at SP-46 Edit Goals.

AP-25 Allocation Priorities [see 24 CFR 91.320(d)]

Introduction:

See the discussion contained in the sections herein below.

Funding Allocation Priorities					
Program	Alabama's CDBG Program (%)	Alabama's HOME Program (%)	Alabama's HOPWA Program (%)	Alabama's ESG Program (%)	Total (%)
CDBG	100%				100%
HOME		100%			100%
HOPWA			100%		100%
ESG				100%	100%
Other CDBG-DR	100%				100%

Funding Allocation Priorities:

CDBG: Alabama's PY2016 CDBG funds in the amount of $21,904,212 will be divided among 8 project areas: (1) County funds = $2,750,000 is estimated to be awarded through grants in the amount of $350,000 each; (2) Large City funds (for cities with a population of 3,001 or more) = $5,000,000 is estimated to be awarded through grants in the amount of $450,000 each; (3) Small City funds (for cities with a population of 3,000 or less) = $5,772,086 is estimated to be awarded through grants in the amount of $350,000 each; (4) Economic Development funds = $4,500,000 is estimated to be awarded through grants in the amount of $200,000 each; (5) Community Enhancement funds = $3,000,000 is estimated to be awarded through grants in the amount of $250,000 each; (6) Planning funds = $125,000 is estimated to be awarded through grants in the amount of $40,000 each; (7) Technical Assistance funds = $219,042 is estimated to be expended in the provision of technical assistance services by the ADECA CDBG staff to grant applicants and grant recipients; and (8) Administration funds = $538,084 is estimated to be expended in the provision of grant management and administrative services by the ADECA CDBG staff in managing the PY2016 CDBG grant funds.

For valid reasons, the ADECA Director may modify or altogether eliminate allocations in order to maintain program integrity. Balances in any Fund will be used to either fund the Black

Belt Projects or transfer to any other Fund at the discretion of the ADECA Director, but such transfers will not count towards the five percent threshold established in the State's Citizen Participation Plan. Balances in the State's Technical Assistance Fund and the State's Administration Fund for any year may be transferred to the "Recaptured Fund" at the discretion of the ADECA Director. Such transfers will not count towards the five percent threshold established in the State's Citizen Participation Plan. Also, the State Technical Assistance Fund may be used for State Administration. All recaptured funds (other than Program Income as defined by regulations) will be placed in a "Recaptured Fund." Any funds awarded via a Governor's/Director's award letter which are rescinded due to a grantee's failure to satisfy a condition in the State's Letter of Conditional Commitment or a grantee's inability to implement the project as approved may be considered Recaptured Funds if a significant amount of time has lapsed. Likewise, any funds returned by grantees due to cost under-run will be considered Recaptured Funds. Persons interested in the amount of Recaptured Fund money available may inquire to ADECA in writing for this information. Approximately $165,000 in Program Income is expected to be available during the course of PY2016, and the exact amount will depend on the rate of pay-off, defaults, and early settlements, but the money will generally be used to fund economic development projects. Persons interested in the amount of ED Funds and Program Income available may find out at any time by inquiring in writing to ADECA. If the State's Letter of Credit is used by HUD to make payments on Section 108 Loan Guarantees, then the State will utilize Program Income, Recaptured Funds, and other available funds to ensure that all commitments from the State are met. Recaptured Funds, Program Income, and other funds may also be used to pay-off, make payments on, or provide credit toward Section 108 Loan Guarantee projects and/or Float Loan projects. Reallocated funds from HUD will be assigned to the most appropriate Fund by the ADECA Director and distributed in accordance with the methodology described in this Action Plan. The State recognizes the applicant's right to retain Program Income within acceptable limits to the extent that the income is applied to continue the activity from which such income was derived. And from time to time, areas declared a disaster by the President will be addressed by a separate Disaster Program for the purposes of disaster relief, long-term recovery, and mitigation.

HOME: For the HOME Program, please see the 2016 HOME Action Plan under "III. ALABAMA'S HOME PROGRAM" for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in this Consolidated Plan. For the HOME funds, the allocation priorities are based on the PY2016 HOME Program allocation to the State of Alabama in the amount of $8,121,398.

The AHFA's allocation priorities for the PY2016 HOME Program funds include focusing on new construction of multifamily rental housing across Alabama. The reason for this is that the intent of the HOME Program is for tenants to include families, elderly citizens, and special needs households, all of whom are to be low-income and in need of affordable housing units. With these priorities, AHFA can create as many new rental housing units across Alabama as is possible. By leveraging HOME Program funds with Housing Tax Credits, the HOME award per successful applicant will be carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. AHFA anticipates that its PY2016 allocation will be able to fund 5-7 HOME projects with 200-350 units. AHFA will also designate at least 15 percent of the funding for CHDOs, and award the remainder of those funds to a mixture of for-profit and non-profit developers.

Also, as the administrator of the Plans, AHFA's priority is to develop written criteria that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.).

ESG: The ESG Program's funding priorities are stated herein under sections AP-20 and AP-35. For the ESG funds, the allocation priorities are based on the PY2016 ESG Program allocation to the State of Alabama in the amount of $2,486,800.

ESG Program funds may provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. In an effort to address the State's priority needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the priority is to create a suitable living environment, with the outcome being availability/accessibility. For homelessness prevention and rapid re-housing activities, the priority is to provide decent affordable housing, with the outcome being affordability. Because the State's ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State is choosing to allow its subrecipients to determine their priority needs at the local level. Therefore, each service-related ESG activity (street outreach, emergency shelter, homelessness prevention, and rapid re-housing) may be considered a priority.

The point in time counts conducted in January 2015 documented both sheltered and unsheltered homeless individuals and families. Additional affordable housing and case management services are identified as statewide priorities to address street outreach, emergency shelter, homelessness prevention, and rapid re-housing needs.

HOPWA: For HOPWA funds, the allocation priorities are based on the PY2016 HOPWA Program allocation to the State of Alabama in the amount of $1,530,814. AIDS Alabama has allocated those funds for the following programs:

1. Rental Assistance: AIDS Alabama will use $373,316.00 to fund both short-term and Tenant-Based Rental Assistance (TBRA), as well as Project-Based Rental Assistance (PBRA) on an as-needed basis. Due to the agency's success at providing consumers with Tenant-Based Rental Assistance (TBRA), the budget for other rental assistance must be monitored closely and strictly managed. Cost containment measures were instituted with the approval of the AIDS Service Organization Network of Alabama (ASONA), which serves as the HOPWA advisory body for AIDS Alabama. STRMU was limited to three months, and expenditures for first month's rent and deposit were frozen. However, recent cost analyses has shown that the success of the Homeless Prevention and Rapid Re-Housing Program (HPRP) had somewhat alleviated the rental assistance program's financial burden. However, HPRP ended for the agency and its partners on March 31, 2012, and another HPRP grant proposal through ESG funds was not funded. Therefore, a decision was made to increase the maximum benefit to 17 weeks of STRMU assistance.

Historically, new TBRA applications remained frozen while the waiting list grew. Stimulus Act Programs, such as HPRP, had provided some relief to the Tenant-Based Rental Assistance Program during the last several years, but these additional programs provided only a temporary respite. However, by monitoring this program closely, AIDS Alabama was able to open the TBRA waiting list during the current program year. Each AIDS Service Organization was given an additional TBRA voucher; these were quickly filled. Additional guidelines were set to allow the AIDS Service Organizations to use vouchers that became available through attrition.

Clients access this program by visiting AIDS Alabama or one of the eight partnering AIDS Service Organizations. They then complete an application with a HOPWA-certified and trained staff member of that agency. ASONA members involved in the decision-making process about how the rental assistance funds are expended include:

- AIDS Action Coalition – Huntsville
- Health Services Center – Anniston
- Unity Wellness Center – Auburn
- Medical AIDS Outreach of Alabama – Montgomery
- Birmingham AIDS Outreach
- Selma AIDS Information & Referral
- AIDS Alabama South (formerly South Alabama CARES*) – Mobile
- West Alabama AIDS Outreach – Tuscaloosa.

*South Alabama CARES (SACARES) of Mobile has become a LLC with its own federal tax identification number as of 10/17/2012. The agency is now AIDS Alabama South and operates as a part of AIDS Alabama. This change came about because South Alabama CARES had been unable to continue existence due to severe financial reversals. The SACARES board of directors approached AIDS Alabama in the Fall of 2012 requesting assistance. AIDS Alabama created a new, financially stable agency, hired all of the South Alabama CARES employees, hired a new Executive Director, and continues to focus on helping the agency to serve the more than 1,000 HIV-positive consumers in the South Alabama area.

Input from these agencies, combined with data from focus groups, surveys, and needs assessments, drive the protocols used in the Rental Assistance program. AIDS Alabama analyzes this information and adjusts the program to facilitate balancing the amount of funds available with the ultimate goal of avoiding homelessness, keeping families stably housed, and increasing consumer empowerment to succeed in a permanent housing setting. AIDS Alabama never seeks a change to the rental assistance program without:

- Receiving input from all subcontracting agencies
- Providing a minimum of a 30-day notice to each agency
- Ensuring that changes are compliant with HOPWA regulations.

For the Short-Term Rental, Mortgage, and Utility program (STRMU), applicants must re-apply and supply proof of need for each month of assistance for up to 17 weeks in an assistance year.

For the Tenant-Based Rental Assistance (TBRA) and Project-Based Rental Assistance, the residents are responsible for a portion of the rent based on their incomes. Clients are expected to maintain quarterly contact with their social workers, as well as pay the appropriate portions of the rent and maintain utilities.

ASONA serves as AIDS Alabama's HOPWA planning council. To access rental assistance, AIDS Alabama requires annual certification of these programs by the community-based organizations that are their partners.

2. Supportive Services: AIDS Alabama will use $440,000 to support housing programs in the State. This support will include supportive services such as transportation, case management, first month's rent and deposit (if available), and housing outreach. AIDS Alabama provides these services in the Birmingham Metropolitan Area and to the non-Jefferson County areas in their Public Health area. Furthermore, AIDS Alabama contracts for these services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties.

3. Operating Costs: AIDS Alabama will use $488,417.00 to supplement the operating cost of the permanent and transitional units between April 1, 2016, and March 31, 2017, serving a potential 300 persons statewide. These funds cover furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State as described in the previous section.

4. Master Leasing: AIDS Alabama will use $9,000.00 to provide funding for the cost of one Master leases for two-bedroom units to be used for intermediate housing with focus on support services to help consumers move toward permanent housing. This unit will provide the consumer stable housing while the case manager links them to permanent housing options and helps them to avoid homelessness. AIDS Alabama will fund master leasing to AIDS Alabama South in the Mobile area as planned. Currently in development is another master leasing project in the Selma area which will bring Selma AIDS Information and Referral in as a stronger housing partner with AIDS Alabama.

5. Resource Identification: AIDS Alabama will spend $47,000.00 between April 1, 2016, and March 31, 2017, to support collaboration among housing and HIV-positive service partners across the state to identify low-income housing and housing development efforts. Specific actions include:

1. Attend 100% of the appropriate HIV/AIDS housing and homeless conferences.
2. Support the cost of meetings to foster collaborations that will expand affordable housing for low-income, HIV-positive consumers with in-state housing organizations, such as the Low Income Housing Coalition of Alabama, Alabama Rural Coalition on Homelessness, Alabama Poverty Project, and others.

6. Housing Information: AIDS Alabama will use $15,000.00 to provide 7,600 individuals with HIV/AIDS housing information in a variety of venues, including health fairs, trade day events, HIV-awareness events, churches, non-traditional medical clinics, community clubs, shelters, substance abuse programs, beauty shops, jails, prisons, schools, and through other community service providers statewide between April 1, 2016, and March 31, 2017.

7. Technical Assistance: AIDS Alabama will use $5,000.00 to provide at least two consultations and technical assistance sessions to ASONA member agencies who are engaged in specific, qualified projects between April 1, 2016, and March 31, 2017.

8. Administration: The fee for administration of the HOPWA program will be $153,081 (10% per regulations). The state service agency (ADECA) will receive 3% ($45,924) as the grantee, and the project sponsor (AIDS Alabama) will receive 7% ($107,157). AIDS Alabama continues to draw on its committed sources of leverage in order to increase the capacity of the HOWPA program. Leveraged dollars from private and public sources, such as Medicaid Targeted Case Management, Ryan White case management, prevention education grants and outreach, development initiatives and newsletters, as well as private foundation grants, other HUD grants,

tenant rent payments, properties, and program income allow AIDS Alabama to stretch limited fiscal resources while continuing to provide quality supportive housing services to its consumers. For Pre-Award Costs, the State requests permission to receive reimbursement for administration costs incurred prior to the award date of the agreement between the U.S. Department of Housing and Urban Development and ADECA. The costs would include eligible functions performed by ADECA's staff members during the State's administration of the HOPWA program.

Reason for Allocation Priorities:

CDBG: Alabama's allocation priorities for CDBG funds among the eight project areas (County, Large City, Small City, Economic Development, Community Enhancement, Planning, Technical Assistance, and Administration) and the five additional fund categories (Section 108 Loan Guarantees, Recaptured Funds, Black Belt projects, Urgent Need projects, and Joint projects) are based on the reasoning that HUD has entrusted the State with CDBG Program funds to address the Program's three National Objectives: (1) to be of benefit to persons of low and moderate income, (2) to aid in the prevention or elimination of slums and blight, and (3) to meet urgent community needs that pose a serious and immediate threat to the health or welfare of the community wherein other financial resources are not available. The reasoning for these allocation priorities is that by developing these allocation priorities, ADECA can employ them as a guideline that assists grant applicants in developing local projects that focus on meeting one or more of the Program performance goals that are designed to create suitable living environments, provide decent affordable housing, and/or create economic opportunities for the citizens residing in those communities. And because each funded project is required to demonstrate the ability to improve the availability or accessibility of units or services, improve the affordability of housing or other services, and/or improve the sustainability by promoting viable communities, these allocation priorities will have a positive impact on the State's plan to expend at least 80 percent (80%) of the PY2016 CDBG funds for activities that will primarily benefit low and moderate income persons, and the remaining 20 percent (20%) of the funds to prevent or eliminate slums and blight and to assist communities with imminent threats to public health and safety. Such allocations will ensure that the State implements this 80%-20% distribution of funds plan.

HOME: For the HOME Program, please see the 2016 HOME Action Plan under "III. ALABAMA'S HOME PROGRAM" for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

The AHFA's allocation priorities for the PY2016 HOME Program funds include focusing on new construction of multifamily rental housing across Alabama. The reason for this is that the intent of the HOME Program is for tenants to include families, elderly citizens, and special needs households, all of whom are to be low-income and in need of affordable housing units. With these priorities, AHFA can create as many new rental housing units across Alabama as is possible. By leveraging HOME Program funds with Housing Credits, the HOME award per successful applicant will be carefully underwritten in a way that stretches the HOME dollars farther and makes a much larger impact on the affordable rental housing stock needed by lower-income Alabamians. AHFA anticipates that its PY2016 allocation will be able to fund 5-7 HOME projects with 200-350 units. AHFA will also designate at least 15 percent of the funding for CHDOs, and award the remainder of those funds to a mixture of for-profit and non-profit developers.

Also, as the administrator of the Plans, AHFA's priority is to develop written criteria that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction); diverse target populations (family, elderly, handicapped, supportive services, mentally impaired, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.).

ESG: The ESG Program's funding priorities are stated herein under sections AP-20 and AP-35. ESG Program funds may provide assistance to all areas of the state so as to upgrade existing homeless facilities and domestic abuse shelters, assist with paying operating costs of such facilities, provide essential services to both sheltered and unsheltered homeless persons, help prevent homelessness, re-house homeless persons, and assist in the costs of administering HMIS activities. In an effort to address the State's priority needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the priority is to create a suitable living environment, with the outcome being availability/accessibility. For homelessness prevention and rapid re-housing activities, the priority is to provide decent affordable housing, with the outcome being affordability. Because the State's ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State is choosing to allow its subrecipients to determine their priority needs at the local level. Therefore, each service-related ESG activity (street outreach, emergency shelter, homelessness prevention, and rapid re-housing) may be considered a priority.

Case management should be utilized to identify services needed by applicants and program participants. The primary need for homeless or near homeless individuals is shelter. This may be provided through identification of rental units and emergency shelter or transitional housing facilities. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to addressing the priority of additional affordable housing. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers. In addition to the provision of shelter, essential services, such as employment and educational training, child care, and physical and mental health care, can be coordinated by case managers. The State acknowledges the varying degrees of need and access to available services throughout its jurisdiction. Due to the various needs presented throughout the state and the services available in those areas, the State believes the individual subrecipients can target funds to the highest priorities at the local level.

HOPWA: For HOPWA funds, the allocation priorities are based on AIDS Alabama's research conducted for its needs assessment - that includes input from local governments and persons seeking and receiving AIDS Alabama's services. The needs of the target population were primarily determined by five sources of data:

1. The 2010 Comprehensive Statewide Needs Assessment performed by AIDS Alabama (AIDS Alabama will be updating its Needs Assessment in the future);
2. The 2009, 2010, and 2011 National AIDS Housing Coalition's (NAHC) North American Housing and HIV/AIDS Research Summits;
3. The Point-in-Time survey completed by One Roof, the local Continuum of Care, and Continuum of Care membership agencies, with the latest data being from January, 2014;
4. The 2013 Central Alabama Ryan White Statewide Coordinated Assessment of Need; and
5. The 2009-2013 Comprehensive Plan for HIV Prevention in Alabama that was conducted by the Alabama Department of Public Health.

There have never been more people living in Alabama with HIV disease than there are now. The needs of this population are critical and not unlike those of other vulnerable populations, as the population's 2009 average income was less than $950 per month, compared to $1,894 for that year's state per capita median monthly income. Recent findings from the National AIDS Housing Coalition state that "…3% to 10% of all homeless persons are HIV-positive – ten times the rate of infection in the general population." This issue becomes more apparent when viewed locally. According to the 2012 Birmingham Area Point In Time Survey, eight percent (8%) of all homeless persons surveyed were HIV-positive. The 2010 AIDS Alabama survey indicated gaps in the availability of housing assistance for homeless persons. Of the 537 HIV-positive persons interviewed, almost 10% indicated that they were homeless or living in temporary housing. An additional 28% indicated that they were doubling up with friends or family. More than half the total persons interviewed felt that their housing situations were unstable. The 2010 Needs Assessment found that 37% of all HIV-positive households interviewed were in immediate need of some form of housing assistance. Furthermore, the need for transitional and permanent supportive housing is apparent, as permanent supportive housing for the chronically homeless is the highest priority of the local Continuum of Care.

Also, AIDS Alabama's reason for each of the allocation priorities is as follows:

1. Rental Assistance: To support a statewide rental assistance program through qualified AIDS Service Organizations.

2. Supportive Services: To provide existing housing programs in the State with supportive services.

3. Operating Costs: To support the operating costs of current housing. AIDS Alabama increased the amount of funds used in this category due to several reasons: (1) The aging of current property has meant exorbitant increases in maintenance costs. Housing staff must constantly inspect and repair existing properties to keep current housing stock operational as safe housing for consumers. (2) The agency has launched a capital campaign that is resulting in increased funds for some projects, but costs continue to rise. (3) The agency was able to obtain a HOME grant from the City of Mobile to help with a massive rehabilitation of the Magnolia Place Property beginning in late 2012. This relief has been great, but existing properties elsewhere across the state continue to require high rehab funding. Magnolia Place is completely rehabilitated, and the project has been a success.

4. Master Leasing: To support local efforts to fill housing gaps and to provide housing in which consumers can learn permanent housing management skills.

5. Resource Identification: To support resource identification efforts.

6. Housing Information: To support ongoing housing information efforts in the State.

7. Technical Assistance: To provide technical assistance training around housing programs and development in Alabama.

8. Administration: To allow AIDS Alabama to provide administrative services in managing this program.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

CDBG: Alabama's proposed distribution of its PY2016 CDBG Program funds will address program's three National Objectives, because each CDBG-funded activity must address at least one of the three National Objectives of the CDBG program. These are as follows:

1. Benefit low and moderate income persons, of which at least 51% must be from low and moderate income households; and for single family housing activities, these must benefit 100% low and moderate income households;
2. Aid in the prevention or elimination of slums and blight; or,
3. Meet other urgent community needs that pose a serious and immediate threat to the health or welfare of the community, and where other financial resources are not available.

In addition to meeting at least one of these three National Objectives, activities must meet one of the following three performance goals:

1. Create suitable living environments;
2. Provide decent affordable housing; or
3. Create economic opportunities.

Further, the selected activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services;
2. Improve affordability of housing or other services; and/or
3. Improve sustainability by promoting viable communities.

Based on these HUD and State mandates, the CDBG program's proposed distribution of funds will address the priority needs and specific objectives by allowing Alabama's non-entitlement communities to establish - and select for submitting funding applications - their own local priorities from among the following commonly-funded eligible activities: water system improvements, sewer system improvements, road improvements, housing rehabilitation, community enhancement/quality of life improvement projects, economic development projects, local government planning projects, downtown planning or revitalization projects, and urgent need projects

HOME: The AHFA's proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan in that the Alabama Housing Finance Authority (AHFA), as the administrator of the HOME Program, provides opportunities for developer applicants to construct multifamily housing for projects that add to the affordable housing stock, and without such funds, would not likely set aside units for lower-income tenants. While AHFA does not specify what may be needed or desired in certain markets, it generally approves high quantities of housing for the elderly. Units for other persons with special needs are encouraged but not mandatory. HOME funds are not used for tenant-based rental assistance. Where applicable, the State recognizes a wide range of needs, encompassing individuals, families, and households of every possible age, race, physical location, and socio-economic status. As administrators of HOME for nearly 25 years, AHFA has a proven track record of exemplary stewardship and countless opportunities have been created for thousands of low-income Alabamians to live, often for the first time in their life, in housing that is new and clean and well-managed and, most importantly, affordable.

Also, based on the 2010 U. S. Census and multiple variations of the American Community Survey in one, three, or five-year estimates, statistical evidence shows widespread poverty in Alabama that is both alarming and predictable. Poverty, most often characterized by low median household or family income, certainly plays into the ability of Alabamians to reside in housing that is safe, sanitary, and affordable. With regards to the State of Alabama HOME Program, the creation of housing to meet those needs is the chief priority. Portions of the Consolidated Plan have indicated the great numbers of renters and owners with one or more housing problems. Of the four traditionally defined housing problems, the one that is the most pervasive and the one most difficult to mitigate is cost burden. Over 400,000 owners and renters in Alabama whose median income is less than 80% AMI carry a cost burden greater than 30%. An additional 216,000 owners and renters in the 0-80% AMI carry a cost burden greater than 50%. The actual numbers of renters who are cost-burdened at all levels is greater than the number of owners; 321,020 renters v. 303,530 owners. And because only 30% of Alabama households are renters overall, a large disproportionate need exists for renters. The top priority for the use of State HOME funds in 2015-2019 will be the production of affordable rental housing.

Thus, under *Affordable Housing*, the applicable activities and needs are as follows:

ACTIVITY	**PRIORITY**	**ACTION**
Rental Assistance	Low	None Planned
Production of new units	High	Certainty
Rehabilitation of existing units	Low	Non Planned
Acquisition of existing units	Low	Non Planned

While the primary activity for State HOME funds has historically been new construction, some funding sources (Housing Credits, Multifamily Bonds, etc.) have been used for the acquisition/rehabilitation of certain existing projects, such as older FmHA (USDA Rural Development) and HUD-financed properties.

Also, please see the AHFA's "III. ALABAMA'S HOME PROGRAM" for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

ESG: The ESG Program's proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan in that ESG funds will be used to address needs identified in the 2015 point in time counts. The point-in-time surveys completed in 2015 for the State of Alabama documented 3,970 homeless persons. Of those, 1,027 were unsheltered and 2,943 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities (administration, emergency shelter, street outreach, Homeless Information Management System, homelessness prevention, and rapid re-housing).

HOPWA: The HOPWA Program's proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan in that the HOPWA Program funds will be expended to:

1. Make subsidized, affordable housing (including supportive housing for those who need it) available to all persons with HIV.
2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.
3. Incorporate housing as a critical element of HIV health care.
4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

By AIDS Alabama expending the HOPWA funds for rental assistance, supportive services (including case management, support staff, housing outreach, and transportation), operations of existing housing, Master Leasing, resource identification, housing information, technical assistance, and administration services, AIDS Alabama will be able to devote its energy and resources statewide to helping people with HIV/AIDS live healthy and independent lives, along with working to prevent the spread of HIV. It will continue to be able to focus on providing housing and supportive services, policy and advocacy work, HIV prevention education, and free and confidential HIV testing. It will continue to be able to assist consumers in working toward their goals of increased stability, income, and independence by providing case management, transportation, utility assistance, emergency financial assistance, vocational assistance, GED preparation/training, secondary HIV education, substance abuse treatment, mental health services, health insurance continuation, and support groups. AIDS Alabama will also be able to continue increasing the community's level of HIV/AIDS knowledge and awareness through innovative interventions and targeted outreach by providing individual and group-level programs and outreach services at venues that include local colleges and universities, faith-based organizations, shelters, and correctional facilities.

AP-30 Method of Distribution [see 24 CFR 91.320(d), and (k)]

Introduction:

See the discussion contained in the sections herein below.

Distribution Methods

State Program Name:	Funding Sources:
CDBG: The Community Development Block Grant Program	U.S. Department of Housing and Urban Development
HOME: The HOME Partnerships Program	U.S. Department of Housing and Urban Development
Emergency Solutions Grants	U.S. Department of Housing and Urban Development
HOPWA: The Housing for Persons With AIDS Program	U.S. Department of Housing and Urban Development

Describe the State program addressed by the Method of Distribution:

CDBG: The information regarding the CDBG Program's selection criteria, allocation of resources, threshold factors, and outcome expectations allowed under the Housing and Community Development Act of 1974, as amended, is as follows:

STATE OF ALABAMA
PROPOSED PY2016 CDBG ACTION PLAN

The following policies will govern Alabama's CDBG program:

1. Let applicants compete fairly for funds to address essential community facility needs.
2. Let communities compete equally for their varying community development needs.
3. Ensure that communities in the State can compete for funds on an equitable basis.
4. Allow for equitable competition by allowing, where feasible, small cities, large cities, and counties to compete in their respective categories.
5. Facilitate funding of important economic development projects in a timely manner.
6. Encourage communities to plan for community conservation and development.
7. Give additional consideration to those communities who commit to do the most to help themselves, taking into account their level of resources.
8. Give consideration to the community's ability to maintain CDBG improvements.
9. Make funding decisions, to the extent feasible, that aid local and regional plans.
10. Ensure that all grants are managed in a timely and effective manner.

PY2016 CDBG Program Allocation = $21,904,212

FUNDING CATEGORY	CDBG AMOUNT
Total Allocated to Alabama	$21,904,212
County Fund	$2,750,000
Large City Fund	$5,000,000
Small City Fund	$5,772,086
Economic Development Fund	$4,500,000
Planning Fund	$125,000
Community Enhancement Fund	$3,000,000
State Administration	$538,084
State Technical Assistance	$219,042

NOTES:

1. For valid reasons, the ADECA Director may modify or altogether eliminate allocations in order to maintain program integrity.
2. Balances in any Fund will be used to either fund the Black Belt Region Projects or transfer to any other Fund at the discretion of the ADECA Director. Such transfers will not count towards the five percent (5%) threshold established in the State's Citizen Participation Plan.
3. Balances in the State's Technical Assistance Fund and the State's Administration Fund for any year may be transferred to the Recaptured Fund at the discretion of the ADECA Director. Such transfers will not count towards the five percent (5%) threshold established in the State's Citizen Participation Plan. Also, the State Technical Assistance Fund may be used for State Administration.
4. All recaptured funds (other than Program Income as defined by regulations) will be placed in the Recaptured Fund. Any funds awarded via a Governor's/ADECA Director's award letter which are rescinded due to a grantee's failure to satisfy a condition in the State's Letter of Conditional Commitment, or a grantee's inability to implement the project as approved, may be considered Recaptured Funds if a significant amount of time has lapsed. Likewise, any funds

returned by grantees due to cost under-run will be considered Recaptured Funds. This does not include funds returned as the result of an ED Float Loan; please see the section on ED Float Loans for a description of how the return of those funds will be managed. Persons interested in the amount of Recaptured Fund money available may inquire to ADECA in writing for this information.

5. Approximately $165,000 in Program Income is expected to be available during the course of this program year (PY2016). The exact amount will depend on the rate of pay-off, defaults, and early settlements, but the money will generally be used to fund economic development projects. Persons interested in the amount of ED Funds and Program Income available may inquire to ADECA in writing for this information. If the State's Letter of Credit is used by HUD to make payments on Section 108 Loan Guarantees, then the State will utilize Program Income, Recaptured Funds, and other available Funds to ensure that all commitments from the State are met. Recaptured Funds, Program Income, and other Funds may also be used to pay-off, make payments on, or provide credit toward Section 108 Loan Guarantee projects and/or ED Float Loan projects.

6. Reallocated funds from HUD will be assigned to the most appropriate Fund by the ADECA Director and distributed in accordance with the methodology described in this One-Year Annual Action Plan.

7. The State recognizes the applicant's right to retain Program Income within acceptable limits to the extent that the income is applied to continue the activity from which such income was derived.

8. From time to time, areas declared a disaster by the President will be addressed by a separate Disaster Program for the purposes of disaster relief, long-term recovery, and mitigation.

METHODS OF ALLOCATION

The State of Alabama's PY2016 Community Development Block Grant (CDBG) money will be allocated as shown on the preceding pages and as described below. The application submission dates for these funds will be announced during the CDBG workshops or through other appropriate widely distributed public notifications.

Each activity funded with CDBG funds must address at least one of the three National Objectives of the CDBG program. These objectives are:

1. To benefit low and moderate income persons, of which at least 51% must be from low and moderate income households, except for single family housing activities which must benefit 100% low and moderate income households;
2. Aid in the prevention or elimination of slums and blight; or
3. Meet other urgent community needs posing a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

In addition to meeting at least one of the three National Objectives listed above, activities must meet one of the following three performance goals:

1. Create suitable living environments,
2. Provide decent affordable housing, or
3. Create economic opportunities.

Further, activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services,
2. Improve affordability of housing or other services, and/or

3. Improve sustainability by promoting viable communities.

CDBG GRANT FUND CATEGORIES

The 13 Categories of Funds from which PY2016 CDBG monies will be allocated are as follows:

1. COUNTY FUND: This Fund is a reservation of money for county governments to be awarded on a competitive basis. Eligible applicants are all counties, except Jefferson and Mobile, which meet eligibility requirements listed under Thresholds.

2. LARGE CITY FUND: This Fund is a reservation of money for the State's larger municipalities to be awarded on a competitive basis. Eligible applicants are all non-entitlement cities with a 2010 Census population of 3,001 or more that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

3. SMALL CITY FUND: This Fund is for the State's small cities/towns to be awarded on a competitive basis. Eligible applicants are all cities or towns with a 2010 Census population of 3,000 or less that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

4. ECONOMIC DEVELOPMENT FUND (ED FUND): This Fund is to assist activities necessary for economic development projects. Economic development projects are those based on job creation or retention. These funds will be allocated on a continual basis. Applications may be submitted anytime during the program year. Eligible applicants are all non-entitlement local governments that meet eligibility requirements listed under Thresholds.

5. SECTION 108 LOAN GUARANTEES: This Fund provides an opportunity for communities to seek, through the Secretary of HUD, loan guarantees for the purpose of financing economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. The State will not obligate for loan guarantees more than $10 Million per project, nor more than the HUD-established limit per year. In those instances where there is an exceptional economic impact, then a waiver of the $10 Million per project ceiling may be granted. The State may use the ED Fund, the Recaptured Fund, Program Income, or other funds to provide credit toward and/or make payments on Section 108 Loan Guarantee projects.

6. PLANNING FUND: This Fund's monies will be awarded to those local governments who demonstrate the need for local planning. Eligible applicants are all non-entitlement local governments that meet the eligibility requirements listed under Thresholds.

7. COMMUNITY ENHANCEMENT FUND: This Fund is a reservation of money to provide funding for eligible CDBG activities which communities consider important to enhance the quality of life for area/community residents. Eligible applicants are non-entitlement local governments who meet applicable thresholds.

8. RECAPTURED FUND: This Fund will consist of any funds returned to the State during the program year, except Program Income as defined by applicable regulations. The ADECA Director, at his or her discretion, will use an appropriate amount of Recaptured Fund to fund the Black Belt Region Projects as well as assist eligible and fundable projects from any of the Fund categories listed above. The Recaptured Fund may also be used to meet State commitments caused by Section 108 Loan Guarantee underpayments or nonpayment of ED Float Loans. Money from the Recaptured Fund will be awarded based on the criteria applicable to each individual Fund. It is estimated that the State will receive approximately $500,000 for this year. In addition to the above, the Recaptured Fund may also be used to amend grants from any prior or current year grant when warranted by the circumstances presented to ADECA in the grantee's amendment request.

Such amendments may cause the original grant to exceed formerly applicable grant ceilings if necessary to satisfactorily address project needs and National Objectives. Factors to be considered when evaluating such requests are: (1) positive impact (on low and moderate income persons or other National Objectives) to be expected if the amendment is approved, versus negative impact if the amendment is not approved; (2) efforts of grantee to address circumstances requiring amendment before requesting an amendment from ADECA; (3) economic distress of grantee as presented in the amendment request; and (4) other extenuating or unusual circumstances which may have caused the request.

9. BLACK BELT REGION PROJECTS: This Fund category is designed to assist projects in the twelve counties of the Black Belt Region of the State. These counties include Bullock, Choctaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Pickens, Perry, Sumter and Wilcox. Up to $1 Million may be made available from the Recaptured Fund and other transfers including transfer of balances from Funds listed above that are either not required or are not sufficient to fund an entire project or the majority of the projects applied for within those Fund categories. No separate applications will be required for the Black Belt Region Projects. Instead, the unsuccessful applications received from the twelve Black Belt counties, including communities within those counties, for all other Funds will be considered under the Black Belt Region Projects. Award considerations for Black Belt Region Projects will no longer be constrained by rating of these projects under individual Funds. The award of Black Belt Region Projects will be based primarily upon the impact these projects will have on the community and the region. The State will exercise necessary discretion to allow alteration of designs and grant requests to maximize the benefit for the region.

10. URGENT NEED PROJECTS: An eligible community may apply for funding to address urgent needs resulting from occurrence of recent events (generally not older than 18 months) such as storms and flooding posing a serious and immediate threat to the health or welfare of the community. Such urgent need projects will not be subject to particular grant ceilings, timing, match requirements, or other limitations, and the ADECA Director will exercise full discretion by transferring available funds in different Fund categories. These projects will be considered as special Fund category projects.

11. JOINT PROJECTS: The PY2016 program allows two or more communities to jointly carry out activities to address their mutual needs. The following elements will serve as a guide in the eligibility and determination of such joint projects:

1. A project will not be considered as a joint project when the benefits accruing to additional jurisdiction(s) are purely of a secondary nature or account for less than 30 percent of the total project beneficiaries. In such cases, the additional jurisdiction(s) will not be subject to the applicable Thresholds.

2. A project applying for a single grant will be considered a joint project if two or more communities benefit from a project and each accounts for 30 or more percent of the beneficiaries. In such cases, the total beneficiaries as well as beneficiaries in each community must meet the National Objective, and the community with 50 or more percent beneficiaries will be subject to applicable State Thresholds and restrictions. In addition, each community with 30 or more percent beneficiaries must meet separate citizen participation requirements, assess housing and community needs of low and moderate income persons, and must become a party to a Memorandum of Understanding that delineates appropriate responsibilities.

3. A joint project may seek a multi-grant ceiling if benefits for each community are sufficiently significant to qualify as a separate grant. Such projects will be filed under the joint

names of participating jurisdictions and each community will be separately subject to the State Threshold requirements. For such projects, each community must meet separate citizen participation requirements, assess housing and community development needs of low and moderate income persons, and become a party to a Memorandum of Understanding that delineates appropriate responsibilities. For the purposes of grant administration, the State will permit one participating community to serve as lead applicant.

The State will use a common sense approach to review and rate joint projects to ensure that the State's intent to maximize efficiency is realized and that the impact from such projects materializes. Applicants proposing joint projects seeking multi-grant ceilings must review their projects with the State prior to submittal.

12. STATE ADMINISTRATION/PLANNING: The $530,585 for State Administration is a reservation of money for effective management of the CDBG program by the State, and these funds will be matched on a dollar for dollar basis, except for the $100,000 that does not have to be matched. The $100,000 is reserved for Planning purposes for the State to prepare or to contract for a Five-Year Consolidated Plan, a One-Year Annual Action Plan, and an Analysis of Impediments to Fair Housing Choice.

13. STATE TECHNICAL ASSISTANCE FUND: This Fund is a reservation of money for the provision of technical assistance to the communities of Alabama for effective participation in the State's CDBG program, to increase local capacities, and for other eligible purposes.

CDBG GRANT CEILINGS AND MINIMUMS

The figures stated below establish general ceilings and minimums on the grant amounts that may be requested per Fund. Consideration in the award of grants will be given to the size of the community requesting funds and to the requirements of the proposed project. An applicant must recognize that requesting the maximum grant amount allowable will not always be appropriate.

Fund	Ceiling/Minimum
County Fund	$350,000 Ceiling
Large City Fund	$450,000 Ceiling
Small City Fund	$350,000 Ceiling
Community Enhancement Fund	$250,000 Ceiling/$50,000 Minimum
Planning Fund	$40,000 Ceiling
Section 108 Loan Guarantees	$10,000,000 Maximum

Economic Development Fund	Minimum	Maximum
ED Grants	$50,000	$200,000
ED Incubator Projects	$50,000	$250,000
ED Loans	$50,000	$250,000
ED Float Loans	$1,000,000	$10,000,000

NOTE: These ceilings are subject to HUD's actual CDBG allocation to the State of Alabama. At the discretion of the ADECA Director, these ceilings may be modified in order to maintain program integrity.

Thus, Alabama's PY2016 CDBG funds in the amount of $21,904,212 will be divided among 8 project areas that comprise Alabama's CDBG Program. These categories are as follows:

(1) County funds = $2,750,000 is estimated to be awarded through grants in the amount of

$350,000 each. The County Fund is a reservation of money for county governments to be awarded on a competitive basis. Eligible applicants are all counties, except Jefferson and Mobile, which meet eligibility requirements listed under Thresholds.

(2) Large City funds (for cities with a population of 3,001 or more) = $5,000,000 is estimated to be awarded through grants in the amount of $450,000 each. The Large City Fund is a reservation of money for the State's larger municipalities to be awarded on a competitive basis. Eligible applicants are all non-entitlement cities with a 2010 Census population of 3,001 or more that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

(3) Small City funds (for cities with a population of 3,000 or less) = $5,772,086 is estimated to be awarded through grants in the amount of $350,000 each. The Small City Fund is for the State's small cities/towns to be awarded on a competitive basis. Eligible applicants are all cities or towns with a 2010 Census population of 3,000 or less that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

(4) Economic Development funds = $4,500,000 is estimated to be awarded through grants in the amount of $200,000 each. The Economic Development Fund is to assist activities necessary for economic development projects. Economic development projects are those based on job creation or retention. These funds will be allocated on a continual basis. Applications may be submitted anytime during the program year. Eligible applicants are all non-entitlement local governments that meet eligibility requirements listed under Thresholds.

(5) Community Enhancement funds = $3,000,000 is estimated to be awarded through grants in the amount of $250,000 each. The Community Enhancement Fund is a reservation of money to provide funding for eligible CDBG activities which communities consider important to enhance the quality of life for area/community residents. Eligible applicants are non-entitlement local governments who meet applicable thresholds.

(6) Planning funds = $125,000 is estimated to be awarded through an undetermined number of grants in the amount of $40,000 each. The Planning Fund is funds to be awarded to those local governments who demonstrate the need for local planning. Eligible applicants are all non-entitlement local governments that meet the eligibility requirements listed under Thresholds.

(7) Technical Assistance funds = $219,042 is estimated to be expended in the provision of technical assistance services by the ADECA CDBG staff to grant applicants and grant recipients. The State Technical Assistance Fund is a reservation of money for the provision of technical assistance to the communities of Alabama for effective participation in the State's CDBG program, to increase local capacities, and for other eligible purposes.

(8) Administration funds = $538,084 is estimated to be expended in the provision of grant management and administrative services by the ADECA CDBG staff in managing the PY2016 CDBG grant funds. The State Administration Fund is a reservation of money for effective management of the CDBG program by the State, and these funds will be matched on a dollar for dollar basis, except for the $100,000 that does not have to be matched. The $100,000 is reserved for Planning purposes for the State to prepare or to contract for a Five-Year Consolidated Plan, a One-Year Annual Action Plan, and an Analysis of Impediments to Fair Housing Choice.

Additionally, the State's CDBG Program consists of the following programs:

(9) The Recaptured Fund will consist of any funds returned to the State during the program year, except Program Income as defined by applicable regulations. The ADECA Director, at his or

her discretion, will use an appropriate amount of Recaptured Fund to fund the Black Belt Region Projects as well as assist eligible and fundable projects from any of the Fund categories listed above. The Recaptured Fund may also be used to meet State commitments caused by Section 108 Loan Guarantee underpayments or nonpayment of ED Float Loans. Money from the Recaptured Fund will be awarded based on the criteria applicable to each individual Fund. It is estimated that the State will receive approximately $500,000 for this year. In addition, the Recaptured Fund may also be used to amend grants from any prior or current year grant when warranted by the circumstances presented to ADECA in the grantee's amendment request. Such amendments may cause the original grant to exceed formerly applicable grant ceilings if necessary to satisfactorily address project needs and National Objectives. Factors to be considered when evaluating such requests are:

(1) positive impact (on low and moderate income persons or other National Objectives) to be expected if the amendment is approved, versus negative impact if the amendment is not approved;

(2) efforts of grantee to address circumstances requiring amendment before requesting an amendment from ADECA;

(3) economic distress of grantee as presented in the amendment request; and

(4) other extenuating or unusual circumstances which may have caused the request.

(10) The Black Belt Projects Fund category is designed to assist projects in the twelve counties of the Black Belt Region of the State. These counties include Bullock, Choctaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Pickens, Perry, Sumter and Wilcox. Up to $1 Million may be made available from the Recaptured Fund and other transfers including transfer of balances from Funds listed above that are either not required or are not sufficient to fund an entire project or the majority of the projects applied for within those Fund categories. No separate applications will be required for the Black Belt Region Projects. Instead, the unsuccessful applications received from the twelve Black Belt counties, including communities within those counties, for all other Funds will be considered under the Black Belt Region Projects. Award considerations for Black Belt Region Projects will no longer be constrained by rating of these projects under individual Funds. The award of Black Belt Region Projects will be based primarily upon the impact these projects will have on the community and the region. The State will exercise necessary discretion to allow alteration of designs and grant requests to maximize the benefit for the region.

(11) The Urgent Need Projects Fund is a fund to which an eligible community may apply for funding to address urgent needs resulting from occurrence of recent events (generally not older than 18 months) such as storms and flooding posing a serious and immediate threat to the health or welfare of the community. Such urgent need projects will not be subject to particular grant ceilings, timing, match requirements, or other limitations, and the ADECA Director will exercise full discretion by transferring available funds in different Fund categories. These projects will be considered as special Fund category projects.

(12) The Joint Projects Program allows two or more communities to jointly carry out activities to address their mutual needs. The following elements will serve as a guide in the eligibility and determination of such joint projects:

(1) A project will not be considered as a joint project when the benefits accruing to additional jurisdiction(s) are purely of a secondary nature or account for less than 30 percent of the total project beneficiaries. In such cases, the additional jurisdiction(s) will not be subject to the applicable Thresholds.

(2) A project applying for a single grant will be considered a joint project if two or

more communities benefit from a project and each accounts for 30 or more percent of the beneficiaries. In such cases, the total beneficiaries as well as beneficiaries in each community must meet the National Objective, and the community with 50 or more percent beneficiaries will be subject to applicable State Thresholds and restrictions. In addition, each community with 30 or more percent beneficiaries must meet separate citizen participation requirements, assess housing and community needs of low and moderate income persons, and must become a party to a Memorandum of Understanding that delineates appropriate responsibilities.

(3) A joint project may seek a multi-grant ceiling if benefits for each community are sufficiently significant to qualify as a separate grant. Such projects will be filed under the joint names of participating jurisdictions and each community will be separately subject to the State Threshold requirements. For such projects, each community must meet separate citizen participation requirements, assess housing and community development needs of low and moderate income persons, and become a party to a Memorandum of Understanding that delineates appropriate responsibilities. For the purposes of grant administration, the State will permit one participating community to serve as lead applicant. The State will use a common sense approach to review and rate joint projects to ensure that the State's intent to maximize efficiency is realized and that the impact from such projects materializes. Applicants proposing joint projects seeking multi-grant ceilings must review their projects with the State prior to submittal.

(13) The Section 108 Loan Guarantee Fund provides an opportunity for communities to seek, through the Secretary of HUD, loan guarantees for the purpose of financing economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. The State will not obligate for loan guarantees more than $10 Million per project, nor more than the HUD-established limit per year. In those instances where there is an exceptional economic impact, then a waiver of the $10 Million per project ceiling may be granted. The State may use the ED Fund, the Recaptured Fund, Program Income, or other funds to provide credit toward and/or make payments on Section 108 Loan Guarantee projects.

CDBG GRANT THRESHOLDS

The following thresholds will apply to communities seeking to apply for PY2016 CDBG funds:

1. Cities and Counties with any open Economic Development Fund or Planning Fund PY2013 or earlier grant funded in calendar year 2013 or earlier as of March 31, 2016, will sit-out for all Funds except for the Economic Development Fund.

2. Cities and Counties with an open grant (except Economic Development Fund or Planning Fund) from any Fund as of March 31, 2016, will sit out for all Funds except for the Economic Development Fund.

3. Cities and Counties that have applied unsuccessfully for an eligible project three consecutive years will receive an additional consideration.

4. Cities and Counties eligible to apply for Competitive Funds (the County Fund, Large City Fund, and Small City Fund) and the Community Enhancement Fund will be limited to only one application from either one of these Funds.

5. A unit of government may not apply if it has an unresolved audit finding involving disallowed costs as the result of a determination made by a private audit, an ADECA financial review, or an ADECA CDBG staff monitoring review. A waiver may be provided in cases where the ADECA Director has reviewed a grantee's proposed response and has determined that repayments due to the State are secured by an appropriate security instrument, stream of income, or

other adequate measures.

6. A unit of government may not apply if it owes the State or Federal government money as the result of determinations made by a private audit, or as the result of determinations made by an ADECA financial review, or an ADECA CDBG staff monitoring review. A waiver may be provided in cases where the ADECA Director has determined that repayments due to the State are secured by an appropriate security instrument, stream of income, or other adequate measures.

7. A proposed project must stand alone to serve the proposed beneficiaries without the need for additional funds that are not shown in the application, unless the other necessary funds are known of and verifiable by the State. Any other funds shown in the application must be verifiable by the State.

8. Applicants must demonstrate the ability to maintain any facilities funded under the CDBG Program.

9. An applicant must not have been deemed by the State to lack capacity to carry out a CDBG project.

10. An applicant's regular program must benefit at least 51 percent low and moderate income persons, unless it is a housing rehabilitation program in which case the beneficiaries must be 100 percent low and moderate income, or if it is a project that addresses slum and blight, in which case it must meet the slum and blight National Objective.

11. Applications for the Planning Fund must present thorough evidence showing how the activity will address one of the National Objectives applicable to planning grants.

Additional considerations for these Thresholds include:

1. Where eligibility for any grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by March 31, 2016 for the grant to be considered closed-out. State policies concerning funds retained for administrative/engineering costs will be considered when determining grant closeout dates.

2. Grants funded by special HUD allocations for programs such as disasters, neighborhood stabilization (NSP), or recovery (CDBG-R) will not prohibit jurisdictions from applying for PY2016 CDBG funds.

3. For any issue or subject not addressed in this PY2016 One-Year Annual Action Plan, or in the case of conflicting issues, the ADECA Director will make a final ruling based on the precedents, established practices, or otherwise what is in the best interest of the State. In rare cases, the ADECA Director may provide a waiver from these Thresholds if specific situations merit granting such a waiver.

COUNTY FUND, LARGE CITY FUND, AND SMALL CITY FUND (COMPETITIVE FUNDS) GRANT APPLICATIONS

CDBG funds allocated to the County Fund, Large City Fund, and Small City Fund, also known as Competitive Funds, will be distributed through a competitive grant application process. Eligible communities may submit one competitive application, and the competitive application may contain one or more activities that are designed to address single or multiple needs. The project may take a comprehensive scope designed to revitalize an identified project area, may be a stand-alone activity to address a specific need, or may undertake two or more activities in a general project area that together enhance the scope of the project by way of cost efficiency, project visibility, public welfare, or other reasons. The aim of the competitive process is to compare all applications in the same funding category to each other within the framework of criteria set up to judge the merits of community development activities. This entails assigning points based on how well an application addresses each rating criterion. To ensure that the competitive process is fair and even-handed, all applications must be submitted by a specific cut-off date, and no changes may be made in the application after it has been submitted to the State. The State may request clarification of the proposal that in no way affects the substance of the application, or the State may require minor project modifications in the interest of enhancing the scope and/or impact of the project activities.

CRITERIA FOR RATING COUNTY FUND, LARGE CITY FUND, AND SMALL CITY FUND (COMPETITIVE FUNDS) GRANT APPLICATIONS

All counties, large cities, and small cities will compete for the Competitive Funds from a respective Fund category, i.e., County Fund, Large City Fund, or Small City Fund. All grant applications will be rated for a maximum score of 200 points. Applications will be awarded funds in order of decreasing score until funds in a given Fund category are exhausted. The rating criteria for scoring applications will be as follows:

Rating Criteria	**Points**
Nature of Benefits	130
Local Match	20
Cost/Benefit Ratio	50
Total	200

EXPLANATION OF RATING CRITERIA FOR COUNTY FUND, LARGE CITY FUND, AND SMALL CITY FUND (COMPETITIVE FUNDS) GRANT APPLICATIONS

1. Nature of Benefits: The following four evaluation elements will be used to determine points under the Nature of Benefits rating criteria. The PY2016 CDBG Application Manual will provide additional details for meeting the reporting and documentation requirements of these broad evaluation elements.

a. Needs Assessment – This is an assessment of community-wide needs associated with housing and essential community development facilities, including the needs of low and moderate income households.

b. Project Development – This is a description of the need(s) to be addressed, the process used to identify the need(s), and the activities that would best address the need(s), including alternatives considered.

c. Impact – This is a qualitative and quantitative description of project impact in addressing the needs of the project area and/or the community, including the number of beneficiaries, low and moderate income beneficiaries, directness of benefit, urgency or criticalness, secondary benefits, and life expectancy of improvements.

d. Other Considerations – This is a consideration of the adequacy of utility rates, operations and maintenance capacity, local participation, local capacity to implement a CDBG project, distress factors, cost efficiencies, utilization of innovative approaches, past efforts, or other relevant factors not previously discussed.

2. Local Match: Up to 20 points will be available for communities providing a local match. Points will be awarded based on the percent of local funds divided by the total amount of requested CDBG dollars. Two points will be awarded for a one percent match, 4 points will be awarded for a two percent match, up to 20 points awarded for a ten percent match. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required, and the full 20 points will be awarded in this Fund category.

3. Cost/Benefit Ratio: This is the measure of the project's cost per beneficiary, and the scoring will be based on a comparison of (i) the applicant's cost per beneficiary for each activity to (ii) the base level ratio. A base level ratio of $4,000 for all public facilities, $8,500 for housing, and $14,500 for relocation has been established by ADECA. Applicants with ratios at or below these levels for each activity will receive maximum points for these activities. For projects with more than one substantial activity, the point score will be based on the weighted average of the activity cost of all proposed substantial activities. The cost beneficiary ratio will be computed based only on the amount of requested CDBG dollars. The rating forms that will be used to score Competitive Fund (County Fund, Large City Fund, and Small City Fund) applications will be publicly available at the CDBG Application Workshop. All eligible cities and counties will be notified about the date, time, and location of the CDBG Application Workshop.

COMMUNITY ENHANCEMENT FUND GRANT APPLICATIONS

The purpose of the Community Enhancement Fund is to allow the State the flexibility to fund important projects through an evaluation and review process. This Fund can be used to provide funding for eligible activities that communities consider important to enhance the community in a manner that is beyond providing for the more basic and essential needs, or for any other eligible CDBG activity. Examples of activities include facilities for fire protection, emergency 911 telephone service, senior centers, boys and girls clubs, recreational facilities, removal of architectural barriers, historic preservation, downtown/neighborhood revitalization, and community centers. Eligible applicants for the fund are all non-entitlement local governments who meet applicable Thresholds. Applications for this Fund must be submitted by the announced cut-off date.

CRITERIA FOR RATING COMMUNITY ENHANCEMENT FUND GRANT APPLICATIONS

The Community Enhancement Fund grant applications will be reviewed by ADECA CDBG staff for compliance with a National Objective and eligibility Thresholds. The applications will be reviewed for factors that include:

1. Assessment of need for project
2. Importance of activity to community
3. Clarity of benefit to low and moderate income persons or limited clientele
4. Community involvement/efforts or joining of two or more communities to address common needs
5. Project description
6. Financial feasibility
7. Cost reasonableness
8. Capacity for operation and maintenance
9. Local match
10. Past efforts.

Special consideration will be given to projects that effectively demonstrate community involvement/efforts in the design, implementation, and promotion of the project. Consideration will also be given to projects where two or more eligible applicants jointly propose to carry out activities to address their mutual needs. Depending on the nature of the needs and the type and extent of beneficiaries, a separate grant ceiling may be permitted. Funding and implementation of such joint projects will be subject to HUD rules.

The ADECA CDBG staff evaluation will be used to guide the selection of the projects, although the ADECA Director may vary from the ADECA CDBG staff evaluation when a particularly strong need is perceived. The ADECA CDBG staff evaluation will consist of two independent reviews comprised of a 0-5 point scoring scale, wherein a score of "0 points" indicates that the project is ineligible for one or more reasons, a score of "1 point" indicates a weak project, and a score of "5 points" indicates a very strong project.

A grant ceiling amount of $250,000 and a minimum grant amount of $50,000 have been established for the Community Enhancement Fund. The ADECA Director may waive either of these limits.

The Community Enhancement Fund will require a specific local match equal to or exceeding 10 percent of the amount of CDBG funds requested in the application. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required if the applicant lacks the financial capacity to provide the match.

Community Enhancement Fund projects will be awarded based on the total highest score in decreasing order until the Fund's monies are depleted. When funds are not available to fund all projects with similar scores, the ADECA CDBG Staff's site evaluation will determine the project(s) to be funded.

PLANNING FUND GRANT APPLICATIONS

The purpose of the Planning Fund is to assist communities having a need for comprehensive or other planning. Eligible plans include comprehensive plans, elements of comprehensive plans, downtown revitalization plans, eligible components of regional studies, or other strategies and studies important to sound and effective community growth and development. The ceiling for these grants will be $40,000 with a provision for a waiver, although applications requesting smaller amounts will be viewed more favorably unless a very substantial need or opportunity is demonstrated. A cash match of 20 percent of the project cost will be required. However, for jurisdictions of 1,000 or less population (as determined by the 2010 Census), the match may be waived when the applicant lacks the financial capacity. Applications will be considered on a continual basis until the cut-off date.

Planning Fund Evaluation Considerations

The Planning Fund grant awards will be made based on the following evaluation considerations:

1. How the proposed project will contribute to principally benefiting low and moderate income persons, or how the proposed project will contribute to aiding in the prevention of slums and blight.

2. The need and urgency of planning activities proposed. The State reserves the authority to not fund a project if the need or urgency is not clearly demonstrated, and if the amount requested is not appropriate for the plan or the size of the planning area involved.

3. How the proposed project will contribute to the development of a planning process which will serve as a guide for orderly and/or consistent growth and community development.

4. How the proposed project will aid in, or contribute to, the involvement or creation of various community groups, advisory councils, planning/zoning districts, redevelopment authorities, etc., in the ongoing planning process.

5. The amount of funds requested relative to the size of the community, the complexity of the proposed elements, and the final product. This consideration will be particularly important where larger grant requests are involved.

6. The community's prior year grants received, as well as implementation of prior planning efforts.

ECONOMIC DEVELOPMENT FUND (ED FUND) GRANT APPLICATIONS

The purpose of the Economic Development Fund (ED Fund) is to allow the State to fund activities necessary to take advantage of economic development opportunities that would result in the creation or retention of jobs. In addition to PY2014 money allocated for the ED Fund, approximately $30,000 is expected in Program Income from earlier loans that will be available for funding of ED Fund projects or for making payments on Section 108 Loans Guarantees. Also, ED Float Loans will be covered in this section, since ED Float Loans will be used only for economic development. However, funds used for short-term grants, or ED Float Loans, will come from all categories of grants. The ED Fund projects will be funded under the following four distinct categories: **(1) ED Grants**, **(2) ED Incubator Projects**, **(3) ED Loans**, and **(4) ED Float Loans**.

The eligible ED Fund projects will be generally funded in the order they are received, regardless of the Fund category under which they fall. Eligible applicants for ED Grants, ED Loans, and ED Float Loans are all non-entitlement local governments, provided other applicable thresholds are met. The applicable grant ceilings and minimums for ED Fund projects will be as cited earlier in the section on grant ceilings. The rules and requirements which will govern ED Grants, ED Loans, and ED Float Loans are spelled out under respective headings in the following paragraphs.

(1) ED GRANTS: Eligible applicants may apply for ED Grants to provide land, facilities, and infrastructure such as water lines, sewer lines, rail spurs, docks, cranes, access roads, etc., to facilitate creation and/or retention of jobs by a new or existing business. The eligible applicants may also apply for grants to assist a public, private, nonprofit, or such other entity including a business in support of an economic development project that will result in the creation of jobs, including jobs for unemployed, under-employed, and recipients of welfare assistance. The State will exercise maximum flexibility and maximum controls in considering activities that will have a direct and significant impact on the creation of jobs. The assistance to public, private, or any such entity may be in the form of a grant, a loan, or a deferred payment loan, and may pay for activities eligible under the CDBG Program including day care and related facilities, transportation, and operations. A grant ceiling of $200,000 and a floor of $50,000 will apply. Applications may be submitted anytime during the program period, and applications will be funded on an "as needed" basis. The State will maintain the right to deny funding of any application during the program period, depending on the quality of the project or the results of past projects, or on considerations such as labor supply, wage levels, environmental effects, etc. The State may waive the $200,000 grant ceiling if the merit of the project shows a significant long-term economic benefit for the State. In rare and exceptional cases, the State may award an ED Grant using ED Fund, Recaptured Fund, Program Income, or other Funds in support of Section 108 Loan Guarantee projects. ED Grants may be used toward loan payments, debt retirement, and other eligible purposes. The amount and appropriateness of ED Grants may take into consideration factors such as the size of the project, magnitude of local support, overall impact, and unique features associated with the project. Projects involving ED Grants will be governed by Section 108 Loan Guarantee requirements, and may be granted exemptions from the Threshold requirements. The Threshold requirements for ED Grants are listed below. These Thresholds are in addition to overall Thresholds listed earlier in this PY2016 One-Year Annual Action Plan.

ED Grant Thresholds:

1. The proposed activities must be associated with the location of a new business or an expansion of an existing business generally creating 15 or more jobs. Projects proposing job retention will generally not qualify for ED Grants unless, in the opinion of the State, significant job losses will have a long-term detrimental effect on the community and low and moderate income people. For projects involving job creation or retention without a capital expansion, the State may disregard such expansion requirement if, in the opinion of the State, significant economic impact and benefit to low and moderate income persons merit such a decision.
2. The applicant must have a commitment from the business to create and/or retain the jobs as described in the application.
3. The project must generally fall in the SIC Code 20 through 39, or consist of major warehousing or distribution centers, or such other activities having a prospect of significant economic impact.
4. At least 51 percent of the project's beneficiaries specified in the application must be persons of low and moderate income.
5. The project must include a local match of at least 20 percent of the amount requested in the ED Grant application. This amount may be eliminated for projects when the applicant's population, as determined by the 2010 Census, was 1,000 or less, and the applicant lacks the financial capacity to provide the match. Under extremely extenuating circumstances, the ADECA Director may provide a waiver to the local match requirement.
6. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs, subject to 24 CFR Part 570 prohibition on the use of CDBG assistance for job-pirating activities.
7. ED Grants will not be made in cases where construction of the private facility has already started prior to the grant award date or the earliest possible date of Release of Environmental Conditions by ADECA. If such start is unavoidable, a waiver may be granted if a request is made to ADECA to do so prior to the start of any construction activity at the project site.

ED Grant Evaluation Criteria: Applications for ED Grants will be considered on a continual basis. Such applications will be reviewed for conformance with the Thresholds, and the funding decision will be guided by the following factors:

1. Importance of the proposed activities to the location or expansion of a business
2. Number and certainty of proposed jobs
3. Proposed local match
4. Scope of a new business or expanding business, i.e., products, product markets, current or projected employment and payroll, labor skills required
5. Urgency of proposed activities
6. Importance of the project to further welfare reform objectives.

(2) ED INCUBATOR PROJECTS: The State will provide assistance to eligible communities from the ED Fund to support ED Incubator Projects that will commit to create new jobs. For the purposes of the State program, an "Incubator" is "a building and program operated either by a private entity, a nonprofit organization, or a unit of local government for the primary purpose of aiding fledgling businesses in their efforts to survive and grow during the first 3 to 5 years of existence. Such aid may come in the form of subsidized floor space, equipment, professional services, or other assistance viewed as appropriate by the State." Eligible applicants may apply for ED Incubator Project grants anytime during the program period. A grant ceiling of $250,000 will apply. The State will maintain the right to deny funding of any ED Incubator Project, depending on the quality and/or certainty of the proposal.

ED Incubator Project Thresholds: Threshold requirements listed earlier in this PY2016 One-Year Annual Action Plan will apply to all ED Incubator Projects.

ED Incubator Project Evaluation Criteria: Factors to be considered in evaluating the worthiness of ED Incubator Project proposals will include:

1. Criteria or system to be set up by an "Incubator" program to assure that 51 percent of the beneficiaries of the program are low and moderate income persons.
2. Desirability of "Incubator" site
    a. Proximity to a metropolitan area or other center of economic activity
    b. Accessibility of jurisdiction
    c. Accessibility of site
    d. Quality and suitability of structure or proposed structure
    e. Level of infrastructure serving site
3. Evidence of Local Support
    a. Financial
    b. Professional
    c. Other
4. Feasibility of Program
    a. Clarity of Program
    b. Certainty that program will be carried out for specific period
    c. Background and credentials of personnel in program
    d. Nature of program

(3) ED LOANS: Eligible applicants may apply for ED Loans anytime during the program period to make loans to private businesses for locating or expanding in the community and creating or retaining jobs for low and moderate income persons. ED Loans can be used for purchasing land, buildings and equipment, site improvements, construction or renovation of buildings, operating capital, or any other CDBG-eligible activity. A reasonable percentage of an ED Loan project may be a grant to cover administrative costs. Deferred payment loans will have a write-off provision. ED Loans made from the Revolving Loan Fund will be governed by the same requirements as ED Loans made from the ED Fund. ED Funds used by communities to make ED Loans to private businesses will have a payback requirement. The determination as to the local government's disposition of the proceeds of repayment of loans will generally be made at the time an ED Loan is funded. As required by Section 104(j) of the Housing and Community Development Act of 1974, as amended, the State will, as part of all application reviews, recognize the applicant's right to retain

Program Income to the extent such income is applied to continue the activity from which such income was derived. The repayments may be allowable to the regional commissions/councils to be used for similar purposes if they are determined to be nonprofit organizations serving the development needs of the communities in non-entitlement areas. A grant ceiling of $250,000 will apply to applications requesting ED Loans, although there is a waiver provision. The State will maintain the right to deny funding of any application or activity during the program period, depending on the quality of the loan, the appropriateness of the proposed project, or the capacity of the community to undertake such a project. Threshold requirements for ED Loans are listed as follows, and are in addition to overall Thresholds listed earlier in this PY2016 One-Year Annual Action Plan.

ED Loan Thresholds:

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.
2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.
3. The applicant must have a commitment from the business to create or retain jobs.
4. Beneficiaries of ED Fund projects must be at least 51 percent low and moderate income persons.

ED Loan Evaluation Criteria: Applications for ED Loans will be considered on a continual basis. Each application will be reviewed for conformance with the Thresholds and other regulatory requirements. The following factors will be considered in making funding decisions:

1. CDBG dollars per permanent job
2. Leverage ratio (private dollars as compared to CDBG dollars)
3. The actual number of permanent jobs to be created or retained
4. Potential for spin-off benefits
5. Job diversification
6. Loan pay-back/collateral.

(4) ED FLOAT LOANS: ED Float Loans are short-term loans which will be made out of appropriated, but unexpended, CDBG program funds (such funds may be from any fiscal year) that may have been allocated to specific program activities. The purpose of ED Float Loans is to allow the State to fund activities necessary to take advantage of economic development opportunities which will principally benefit low and moderate income persons. ED Float Loan funds used for short-term loans will come from all Fund categories of grants. A reasonable amount of Program Income or Recaptured Funds may be used to provide a grant to administer an ED Float Loan. As ED Float Loans are repaid, the repayment of principal will be used to restore all Funds from which the monies initially came, while the interest will generally be used to increase the State's CDBG ED Fund. As is indicated above under the Section on ED Loans, the State will recognize the local government's right to retain Program Income when such income is to be applied to continue the activity from which the income was derived. The amount of funds available for the ED Float Loan program will be determined by careful monitoring of the fund flow needs of the CDBG program. Because the State recognizes that the ED Float Loan program entails some risk, each request will be analyzed on the basis of the need of grants previously funded. ED Float Loans will be made only after it has been determined, to the maximum extent possible, that the amount and term of any ED Float Loan will not commit the State's letter of credit balance to the degree that other previously-funded grants are delayed or jeopardized. ED Float Loans may come from more than one year's funds with the amount from one year being less than the minimum. Eligible applicants for ED Float Loans are all non-entitlement local governments that meet eligibility Thresholds listed previously herein this PY2016 One-Year Annual Action Plan. The ED Float Loan program will be governed by the following requirements:

ED Float Loan Program Objective: A primary objective of the ED Float Loan program is to expand economic opportunities, principally for persons of low and moderate income. Normally, the program will be used only to aid in the creation of new jobs and on projects where there is likely to be a substantial economic development impact. In exceptional circumstances the ED Float Loan program may be used to help retain jobs. Of the jobs to be created or retained, at least 51 percent must be occupied by or made available to low and moderate income persons. If ED Float Loans are made in order to retain jobs, the applicant must clearly demonstrate that without CDBG assistance the jobs would be lost.

ED Float Loan Eligible Activities: ED Float Loans can be used to finance any necessary activity, including acquisition, site preparation, new construction, renovation, purchase of machinery and equipment, working capital, refinancing, and other CDBG-eligible activities approved by the State.

ED Float Loan Amounts and Terms: The minimum ED Float Loan amount shall be $1 Million, and the maximum ED Float Loan amount shall be $10 Million. These maximum and minimum loan amounts may be waived by the State when significant long-term economic benefits for low and moderate income persons are involved. The loan term will be for one year, and can be extended for one additional year. Interest earned on ED Float Loans will be treated as Program Income, and will be used for CDBG-eligible activities.

ED Float Loan Evaluation Criteria: Applications for ED Float Loans will be considered on a continual basis. However, due to the unique nature of the ED Float Loan program, the State intends to fund only a limited number of ED Float Loan projects. Prior to accepting any application, the State will require a thorough review of the project with the State. ED Float Loan funding decisions will be based on the following factors:

1. Conformance with the National Objective
2. Loan security, which security shall be in the form of an irrevocable letter of credit or such other security acceptable to the State
3. Number of jobs involved
4. Private investment
5. Unemployment/community distress
6. Job diversification
7. Indirect/spin-off benefits.

SECTION 108 LOAN GUARANTEE PROGRAM

The purpose of the Section 108 Loan Guarantee program is to provide communities with an opportunity to seek loan guarantees to finance economic development activities as permitted in Title

I of the Housing and Community Development Act of 1974, as amended. Guarantees must be approved by the Secretary of HUD. The applicable ceiling is $10 Million per project, with a waiver provision. No more than the HUD-established limit will be committed annually. Eligible applicants are all non-entitlement communities who meet the Thresholds listed earlier in this PY2016 One-Year Annual Action Plan, as well as those Thresholds listed below. For projects with significant economic impact, the State may use the ED Fund, Recaptured Fund, Program Income, or other Funds to grant an appropriate amount toward Section 108 Loan Guarantee payments and for debt retirement.

Section 108 Loan Guarantee Thresholds:

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.
2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.
3. The applicant must have a commitment from the business to create or retain jobs and make private investment as described in the application. In those instances where a business has not yet been identified, the applicant must commit to create a certain number of jobs within a specified amount of time acceptable to the State.
4. Beneficiaries of Section 108 Loan Guarantee projects must be at least 51 percent low and moderate income persons.

Section 108 Loan Guarantee Evaluation Criteria:

Applications for Section 108 Loan Guarantees will be considered on a continual basis, since opportunities for economic development may arise at any time. Section 108 Loan Guarantees will be evaluated in accordance with 24 CFR Part 570, the Section 108 Final Rule, along with consideration being given to the following:

1. Section 108 dollars per permanent job;
2. Actual number of jobs to be created or retained;
3. Potential for spin-off benefits.

CDBG PROGRAM ELIGIBLE ACTIVITIES

Eligible activities under the State's CDBG program are all activities listed as eligible under the Housing and Community Development Act of 1974, as amended, including public service activities proposed separately or jointly with other non-service type activities.

ESTIMATED FUNDS FOR ACTIVITIES BENEFITING LOW AND MODERATE INCOME PERSONS

The Housing and Community Development Act of 1974, as amended, requires that the State furnish its citizens with "the estimated amount (of funds) proposed to be used for activities that will benefit persons of low and moderate income." The State estimates that at least 80 percent of its PY2016 CDBG funds will be used for activities that primarily benefit low and moderate income persons. The remaining 20 percent of PY2016 CDBG funds are anticipated to be used for the prevention or elimination of slums and blight (such as the Planning Fund grants), and to assist communities with imminent threats to public health and safety when no other financial resources are available.

ALABAMA'S PLANS FOR MINIMIZING DISPLACEMENT FROM USE OF CDBG FUNDS

The Housing and Community Development Act of 1974, as amended, requires that the State furnish citizens with its "plans for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced." The following four elements shall serve as the State of Alabama's "Plan for Minimizing Displacement for Programs Utilizing U.S. Department of Housing and Urban Development Funds."

1. Minimizing Displacement: The State will discourage applicants from designing programs that involve extensive displacement. Applicants should displace persons and businesses only when there is no reasonable alternative to accomplishing the purposes of their program. The State's rating system addresses the higher costs of programs which involve displacement by making more expensive solutions to problems less competitive.
2. Persons Actually Displaced: Applicants shall plan for the probability of displacement in program design by requesting sufficient funds to accommodate the costs of displacement. Grantees shall provide from CDBG, or their own resources, for the reasonable costs associated with all displacement necessary to carry out the purposes of the grantee's program.
3. Local Plan for Grant Recipients: The State of Alabama requires that that all localities applying HUD funds through the State certify that, "The City/County will minimize displacement of persons as a result of activities with CDBG funds and will assist persons actually displaced as a result of such activities." Further, upon funding, all recipients shall be required to keep a local Plan for Minimizing Displacement in the program files.
4. Grievance Procedure: The State will follow the grievance procedure identified in the Complaints section of the State's Citizen Participation Plan.

HOME: For the HOME Program, please see the **2016 HOME Action Plan** at **ATTACHMENT 4** for information regarding selection criteria, allocation of resources, threshold factors, and outcome expectations.

ESG: The information regarding the ESG Program's selection criteria, allocation of resources, threshold factors, and outcome expectations allowed under the McKinney-Vento Homeless Assistance Act, as amended, is as follows:

PY2016 ESG ACTION PLAN

History: The Emergency Shelter Grant Program (ESG) was first enacted under Title V of the U.S. Department of Housing and Urban Development's appropriation act for the fiscal year 1987, and was fully established by the Stewart B. McKinney Homeless Assistance Act in 1988. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 amended the McKinney-Vento Homeless Assistance Act. The HEARTH Act included major revisions to the Emergency Shelter Grant Program, essentially changing it to the Emergency Solutions Grants Program. This is a program that may provide assistance to all areas of the state. ESG funds are used to upgrade existing homeless facilities and domestic abuse shelters, to help meet the operating costs of such facilities, to provide essential services to both sheltered and unsheltered homeless persons, to help prevent homelessness, to re-house homeless persons, and to assist in the costs of administering HMIS activities.

Distribution of Funds: The ESG Program is administered by the Alabama Department of Economic and Community Affairs (ADECA) and will be utilized to provide assistance to homeless persons and victims of domestic abuse as defined under the Stewart B. McKinney Homeless Assistance Act, as amended. The State will receive $2,486,800 in PY2016 ESG funds. The State will allocate funds based on the quality of applications received from local units of government and private nonprofit organizations. No portion of these funds will be set aside for specific purposes. ESG dollars must be matched on a dollar for dollar basis by subrecipients. However, the State is incorporating into this Plan the option allowed by law and regulations to forgive up to $100,000 in required match when circumstances of extreme need indicate this is appropriate. The State will consider the urgency, need, and distress of the applicant when making such decisions.

Pre-Award Costs: The State requests permission to receive reimbursement for administration costs incurred prior to the award date of the agreement between the U.S. Department of Housing and Urban Development and ADECA. The costs would include eligible functions performed by ADECA's staff members during the State's administration of the ESG program.

Thresholds: An applicant may only be included in one application. A second-tier subrecipient may be included in more than one application. No applications will be accepted under the following circumstances:

- The applicant owes the state or federal government money and no repayment arrangement is in place.
- Disallowed costs have resulted from an ADECA review or audit and no resolution is finalized.
- The applicant has an open ESG grant from FY2014 or an earlier year.
- The private nonprofit organization (acting as the applicant or second-tier subrecipient) lacks 501(c) (3) status.

Where eligibility for the grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by noon on March 31, 2016, for the grant to be considered closed out.

Grant Ceilings: In order to address needs throughout the State, the Program will use a grant ceiling of $200,000 for applicants that will serve a single jurisdiction. An applicant that will serve multiple localities within a single county is defined as a single jurisdiction. An applicant that will serve multiple counties will have a grant ceiling of $400,000. An applicant may not be listed as a second-tier subrecipient in another application. However, a second-tier subrecipient may be listed as a second-tier subrecipient in more than one application. In the event that all funds are not awarded through the one-time competitive application process, the State may negotiate with applicants to utilize all current year funds. Initiation of negotiations will be done by the State based on (1) demonstrated need; (2) prior performance; and (3) other available resources. Such negotiations may cause the original grant to exceed formerly applicable grant ceilings.

Recaptured Funds: Recaptured funds consist of any funds returned to the State during the program year, except Program Income as defined by applicable regulations. The Director, at his or her discretion, will use an appropriate amount of recaptured funds or unutilized prior year funds to assist eligible and fundable projects from the program year in which the funds are returned. The State may negotiate with subrecipients to reallocate all recaptured funds and unutilized prior year funds. In the event of the availability of recaptured or unutilized prior year funds, subrecipients that have not exceeded the grant ceilings will be notified first. Subrecipients will submit a written response of their interest in receiving the recaptured or unutilized prior year funds. If all funds are not awarded after the first notification, the remaining subrecipients will be allowed to submit a written response expressing their interest in receiving the recaptured or unutilized prior year funds. Grant ceilings may be waived in efforts to award all recaptured or unutilized prior year funds. Factors to be considered when reallocating funds include: (1) estimated number of program participants to be served; (2) impact on the community if the persons are not served; (3) other extenuating or unusual circumstances which may have necessitated the additional funding, (4) prior performance of the subrecipients' grant administration, (5) the subrecipients' demonstrated ability to expend funds in a timely manner, and (6) the subrecipients' ability to supply the required matching funds.

Eligible Activities: ESG funds may be used for the following activities allowed under the McKinney-Vento Homeless Assistance Act, as amended:

1. Street Outreach: Assistance provided must serve unsheltered homeless persons who are neither willing nor able to access housing, emergency shelter, or an appropriate health facility. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of:

- 60 percent of that fiscal year's total ESG grant award; **or**
- The amount of the State's FY2010 grant funds committed to street outreach and emergency shelter activities.

Eligible costs include:

1. Engagement – Activities to locate, identify, and build relationships with unsheltered homeless persons in an effort to provide intervention, immediate support, and connections with mainstream social services, homeless assistance programs, and/or housing programs.

2. Case Management – Services include the cost of assessing service and housing needs. Case managers will arrange, coordinate, and monitor the delivery of individualized services in order to meet the needs of the program participants.

3. Emergency Health Services – Eligible costs include the direct outpatient treatment of medical conditions. Services are provided by licensed medical professionals operating in community-based settings and other places where unsheltered homeless persons reside. ESG funds may be used only if other appropriate health services are unavailable or inaccessible in the area.

4. Emergency Mental Health Services – Eligible costs include the direct outpatient treatment of mental health conditions by licensed medical professionals operating in community-based settings and other places where unsheltered homeless persons reside.

5. Transportation – Eligible costs include travel by social workers, medical professionals, outreach workers, or other service providers when the travel takes place during the provision of eligible street outreach services.

6. Services to Special Populations – Eligible costs include eligible essential services that have been tailored to address the special needs of people living with HIV/AIDS, homeless youth, and/or victims of domestic violence and related crimes/threats.

<u>2. Emergency Shelter:</u> The types of assistance include providing essential services to homeless individuals or families in emergency shelters, operating costs for emergency shelters, costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families, and assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). Staff costs related to carrying out emergency shelter activities are eligible. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of:

- 60 percent of that fiscal year's total ESG grant award; **or**
- The amount of the State's FY2010 grant funds committed to street outreach and emergency shelter activities.

Eligible costs include:

1. Essential Services – Case management, child care, life skills services, employment assistance and job training, education services, legal services, transportation, substance abuse treatment services, outpatient health services, mental health services, and services for special populations.

2. Shelter Operations – Rent, facility maintenance, utilities, food, insurance, furnishings, security, equipment, fuel, and supplies necessary for the operation of the emergency shelter. Hotel or motel vouchers are eligible only when no appropriate emergency shelter is available.

3. Renovation – Costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families, including labor, materials, tools, and other costs including soft costs. The emergency shelter must be owned by a private nonprofit organization or a governmental entity. Types of renovation include:

- Conversion - A change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs exceed 75 percent of the value of the building after rehabilitation. (If ESG funds are used for conversion, the facility must be used as a shelter for the homeless for at least a ten-year period.)

- Major Rehabilitation – Rehabilitation that costs in excess of 75 percent of the value of the building before rehabilitation. (Where ESG funds are used for this purpose, the building must be used as a homeless shelter for at least a ten-year period.)
- Other Renovation – Rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation. (Where ESG funds are used for this purpose, the building must be used as a shelter for at least a three-year period.)

  Value of the building means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the subrecipient or the second-tier subrecipient.

4. Assistance Required under URA – Costs of providing URA assistance, including relocation payments and other assistance to persons displaced by a project assisted with ESG funds

<u>3. Homelessness Prevention</u>: Assistance may be provided to individuals and families who meet HUD's definition of at risk or at imminent risk of homelessness. Individuals and families must have an income below 30% of Area Median Income. Staff salaries related to service provision are eligible.

Eligible costs include:

1. Rental Assistance – Assistance may be short- or medium-term. Short term assistance may be provided for up to 3 months. Medium-term assistance may be provided for 4 to 24 months. Assistance may be provided during any 3-year period, including a one-time payment for up to 6 months of the tenant's portion of rental arrears.
2. Housing Relocation and Stabilization Services – Consists of two types of assistance: financial assistance and services.

A. Financial Assistance – ESG funds may be used to pay utility companies, housing owners, and other third parties for the following types of costs: rental application fees, security deposits, last month's rent, utility deposits, utility payments, and moving costs.

B. Services – ESG funds may be used to pay the costs of providing the following services:

1. Housing Search and Placement – Activities or services necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.
2. Housing Stability Case Management – Services necessary to assess, arrange, coordinate, and monitor the delivery of individualized services to facilitate housing stability.
3. Mediation – Mediation between the program participant and the owner or person(s) with whom the program participant currently resides to prevent the program participant from losing permanent housing in which they currently reside.
4. Legal Services – Services necessary to resolve a legal problem that prohibits the program participant from obtaining or maintaining permanent housing.
5. Credit Repair – Services necessary to assist program participants with critical skills related to household budgeting, money management, accessing a free personal credit report, and resolving personal credit problems.

<u>4. Rapid Re-Housing:</u> Assistance may be provided to individuals and families who meet HUD's definition of being literally homeless. Staff salaries related to service provision are

eligible. Eligible costs are the same as those for Homelessness Prevention.

5. Homeless Management Information System (HMIS): HMIS is a statutory requirement of the HEARTH Act. Victim service providers cannot participate in HMIS. Legal services organizations may choose not to participate in HMIS. Providers that do not participate in HMIS must use a comparable database that produces unduplicated reports. Eligible costs include purchasing or leasing equipment or computer hardware; purchasing software licenses; obtaining technical support; leasing office space; overhead charges such as electricity, phone, water, gas, and high-speed data transmission necessary to operate the HMIS; salaries necessary to operate the HMIS; travel to attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act; travel costs to conduct intake; and paying participation fees charged by the HMIS Lead Agency designated by the Continuum of Care to operate the area's HMIS.

6. Administration: Administration includes the activities necessary to administer the grant in compliance with program objectives and regulations. Eligible administrative costs include staff to operate the program, preparation of progress reports, audits, and monitoring of recipients. This does not include staff and overhead costs directly related to carrying out other ESG eligible activities. No more than 7.5 percent of the State's grant may be spent for administrative costs.

Obstacles to Addressing Underserved Needs: Various obstacles to addressing underserved community needs exist across the State. In the rural counties, transportation is a major issue. Nonexistent public transportation limits access to mainstream resources. Dwindling funding for mainstream resources at various levels of government further negatively impact the needs of persons experiencing homelessness. The shortage of affordable permanent housing presents another obstacle. Job loss, unemployment, and the lack of affordable healthcare are also obstacles.

Proposed Activities: The point-in-time surveys completed in 2015 for the State of Alabama documented 3,970 homeless persons. Of those, 1,027 were unsheltered and 2,943 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities. For homeless assistance activities (emergency shelter and street outreach), the objective is to create a suitable living environment. The outcome is availability/accessibility. For homelessness prevention and rapid re-housing activities, the objective is to provide decent affordable housing. The outcome is affordability.

Application Process: The application submission date for ESG funds will be announced during the ESG Application Workshop or through another widely distributed notification process. Applicants are limited to local units of government and private nonprofit organizations. Funds will be awarded competitively based on the factors reviewed below. The State may exercise discretion to fund requests fully or partially, if so warranted, to maximize impact on the State's homeless and other ESG-eligible clientele. The State may conduct site visits to potential subrecipients. The site visits may influence funding decisions.

A. Identification of Homeless Assistance Needs: 20 Points

Applicants will identify the homeless assistance needs they propose to address for their service area including the needs of other eligible clientele such as victims of domestic violence. Applicants should specifically address the needs of the unsheltered homeless persons in their service area. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families actually served during the last calendar year.

B. Applicant's Strategy to Address Homeless Problems: 25 Points

Applicants will describe their strategy for addressing homeless problems. They will provide specific data quantifying the types of assistance or services provided to homeless individuals and families or those persons at risk of homelessness during the last calendar year**.** Applicants will estimate the number of participants they propose to assist in relation to the types of assistance to be provided. They should explain their strategy for targeting funds to the neediest persons, or to the geographic or functional areas where funds may have the greatest impact.

C. Capacity and Coordination: 20 Points

Applicants will describe their management capacity, especially that of all second-tier subrecipients, if any. Provide specific details relating to direct or related experience with service provision to homeless individuals and families or those at-risk of homelessness. Applicants will provide their plan to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible.

D. Participation in a Continuum of Care: 15 Points

The applicant will demonstrate a thorough understanding of the "continuum of care" concept and explain how the services provided by it or its second-tier subrecipients are in line with this concept. This will include information concerning membership in an existing Continuum of Care Homeless Coalition. Explain the levels of participation for the applicant and that of the second-tier subrecipients regarding continuum initiatives, activities, and programs. Provide details regarding the strategies of the particular continuum for serving the homeless.

E. Match: 10 Points

Points will be given based on the clarity of proposed match. Match (in-kind or cash) must be explained as to how its use relates to the activities allowed under the McKinney Homeless Assistance Act, as amended. Match must be verified to include resolutions and letters detailing sources of funds. If match comes from the city or the county, then the source of funds (general fund) must be identified. Letters from banks, organizations, or donors specifying donated items will be needed. Volunteer hours and fundraising efforts will need to be discussed in enough detail to establish validity. The service area or activities for which volunteer hours will be used must be clearly indicated.

F. Budget: 10 Points

The budget narrative must consist of a thorough explanation of activities involved with the request. Each budget category (Administration, Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-Housing, and HMIS) must give a detailed description of costs. The applicant's budget must be the aggregate of the second-tier subrecipients' budgets. In addition to the budget forms, each agency for which funds are requested should submit its annual budget that shows the source and amount of other funds received.

Total Points Available: 100 Points

Process for Making Sub-awards: Applications should provide the applicants' strategies to provide emergency shelter, street outreach, homelessness prevention, and rapid re-housing assistance. Project reviews will include the following criteria:

- demonstrated need for assistance in the service area
- plan to provide services to the target population
- capacity to carry out program requirements
- activities to be performed
- coordination with local agencies serving similar target populations

If necessary, the State may request additional information to assist with reviews. State subrecipients will be required to ensure that program information is available in the appropriate languages for the geographic areas to be served with ESG funds.

Tie Breaker: In the event of tied scores where funding is not available to all applicants, the Director will exercise discretion in funding requests with the most impact. The Director may also exercise discretion in adjusting funding awards to serve needs in a greater number of communities without significantly reducing the effectiveness of proposed programs.

Monitoring Plan: ADECA staff will monitor each ESG grant on-site at least once prior to project close-out. Areas reviewed for compliance include adherence to the program's national objective and eligibility requirements, progress and timeliness, citizen participation, environmental, shelter standards, housing habitability standards, rent reasonableness, affirmative outreach, fair housing, equal employment opportunity, procurement, and financial management.

After each monitoring visit, written correspondence is sent to the subrecipient describing the results of the review in sufficient detail to clearly describe the areas that were covered and the basis for the conclusions. Monitoring determinations range from "acceptable" to "finding" with appropriate corrective measures imposed. Corrective measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, or reimbursement of disallowed costs.

If the subrecipient has not responded within 30 days after the date of ADECA's letter, ADECA staff will work with the subrecipient through phone calls, e-mails, or written correspondence to obtain the requested information. No grant can be closed until all monitoring findings have been satisfactorily resolved.

ADECA maintains an "HESG Projects Schedule" spreadsheet which is used as a tracking system to ensure each ESG grant is monitored at least once prior to close-out. Monitoring visits will be scheduled at the time when at least 40 percent of the funds have been drawn. This spreadsheet is also used to track monitoring findings, receipt of the requested responses, and the date of project closeout.

ADECA retains the ability to schedule additional monitoring visits as may be necessitated by problems identified in the monitoring visit or when grant conditions demonstrate a need for additional ADECA review. Further, ADECA may also incorporate additional monitoring and review techniques not listed here in order to ensure program compliance.

Consultation with Continuums of Care: The State and the continuums of care (CoC) in its jurisdiction mutually agreed to maintain the following outcomes developed in 2012 for the ESG program.

1. Determining how to allocate ESG funds for eligible activities

    a. Membership in CoC – Agencies interested in applying for ESG funding must be active, participating members of the local continuum of care.

    b. Service Provision – Services provided by the interested agencies must meet an established goal of the local CoC.

    c. Capacity – Interested agencies must have demonstrated their capacity to carryout ESG or similar program activities.

    d. Collaboration - Interested agencies must collaborate with local agencies that serve similar target populations.

    e. Coordination - Interested agencies must coordinate with other agencies that provide mainstream resources to similar target populations.

2. Developing the Performance Standards for activities funded under ESG

    a. Agencies funded with ESG funds must utilize written intake forms that clearly document eligibility for ESG assistance, and homeless status at program entry and program exit.

    b. Funded agencies must report client data in HMIS, unless the agency is a victim service provider or legal service provider. In such cases, the funded agencies must report client data in a comparable database.

    c. Funded agencies must set measurable targets to be accomplished throughout the life of the program.

    d. Funded agencies and their respective CoC will periodically monitor program progress of all ESG-funded activities to document:

        1. Impact of ESG-funded projects
        2. Number of persons served by ESG-funded projects
        3. Number of program participants obtaining mainstream benefits such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Programs, VA Health and Pension Benefits, Supplemental Security Income/Social Security Disability Insurance, and Medicaid

3. Developing funding, policies, and procedures for the operation and administration of the HMIS *PromisSE,* a web-based data management system, serves as a multi-implementation of HMIS. Every continuum in the state, with the exception of the Homeless Care Council of Northwest Alabama, utilizes *PromisSE*. *PromisSE* is operated under a Steering Committee which consists of members of each continuum across the states of Alabama and Florida. *PromisSE* has established policies and procedures. Funding for HMIS and related activities and costs will be limited to up to five percent of the grant award to individual subrecipients.

Written Standards for Provision of ESG Assistance: Because the needs of program participants and their access to available assistance vary across the State, the State will require its subrecipients to establish and implement their own written program standards. Program standards must not be designed to discriminate against any program participant. Program standards must be applied consistently to every program participant. At a minimum, program standards must include the following:

1. Policies and procedures for evaluating individuals' and families' eligibility for ESG

assistance.

2. Policies and procedures for coordination among homelessness prevention and rapid re-housing assistance providers, emergency shelter providers, essential service providers, other homeless assistance providers, and mainstream service and housing providers.

3. Policies and procedures for determining and prioritizing which eligible individuals and families will receive homelessness prevention assistance and which eligible individuals and families will receive rapid re-housing assistance.

4. Standards for determining the length of time a particular program participant will be provided with rental assistance and if and how the amount of that assistance will be adjusted over time.

5. Standards for determining the share of rent and utilities' costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.

6. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant. Include the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).

7. Standards for targeting and providing essential services related to street outreach activities. Include the limits, if any, on the street outreach assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).

8. Policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest.

9. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.

10. Procedures to guarantee that reasonable steps are taken to ensure meaningful access to program activities for persons of limited English proficiency.

11. Standards for terminating assistance. Include requirements of a formal process to terminate assistance. At a minimum, the process should contain:

- A written notice to the participant stating the reason for termination of assistance.
- A review of the decision, where the participant is given the opportunity to present written or oral objections.
- Prompt written notice of the final decision to the participant.

Performance Standards: Funded agencies and their respective CoC will periodically monitor program progress of all ESG-funded activities to document:

- Impact of ESG-funded projects
- Number of persons served by ESG-funded projects
- Number of program participants obtaining mainstream benefits such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Programs, VA Health and Pension Benefits, Supplemental Security Income/Social Security Disability Insurance, and Medicaid

Outcome Measures: Outcome measures will be determined by performance indicators. Because the State's ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State chose not to develop performance indicators. The subrecipients will develop performance indicators that best depict program accomplishments for their local areas. Performance indicators specific to geographic areas will be evaluated to determine program outcomes.

Centralized or Coordinated Assessment: The continuums of care are in various stages of developing a centralized or coordinated assessment system for their respective service areas. Housing First, the continuum of care serving Mobile City and County and Baldwin County, has begun utilizing its coordinated assessment system. Once the other assessment systems are developed, each ESG-funded program will utilize the system implemented by its local continuum.

Requirements for recipients who plan to use the risk factor under paragraph (1) (iii) (G) of the "at risk of homelessness" definition: If the recipient plans to serve persons "at risk of homelessness", based on the risk factor "otherwise lives in housing that has characteristics associated with instability and increased risk of homelessness" describe specific characteristics associated with instability and increased risk of homelessness. The State accepts the following conditions to be indicative of housing instability and increased risk of homelessness:

1. Documented mental health conditions that limit or prohibit a person's ability to work;
2. Documented physical health conditions that limit or prohibit a person's ability to work;
3. Documented substance abuse that limits or prohibits a person's ability to work
4. Person has a criminal background; or
5. Occurrences of domestic violence or abuse.

One-year goals and specific action steps for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs: The point-in-time counts for 2015 showed that there were 1,027 unsheltered homeless persons in Alabama. The State's goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken.

1. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.

2. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.

3. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

Addressing the emergency shelter and transitional housing needs of homeless persons: The point-in-time counts for 2015 showed that there were 2,943 homeless persons in emergency shelter and transitional housing in Alabama. The State's goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken.

1. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.

2. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again: The State's goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are:
Being discharged from publicly funded institutions and systems of care, such as healthcare facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions: The State's goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. In order to accomplish this goal, the ESG subrecipients and second-tier subrecipients will inform those publicly funded institutions of the available housing options in their service area. This information would then be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability.

Receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs: The State's goal is that ESG subrecipients' and second-tier subrecipients' case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. To accomplish this goal, case managers will work more closely with mainstream service providers and private agencies which address these needs. The case managers will provide this information to their clients and assist them in obtaining other eligible assistance.

The jurisdiction must specify the activities that it plans to undertake during the next year to **address the housing and supportive service needs** identified in accordance with §91.215(e) with respect to **persons who are not homeless but have other special needs:** The Alabama Housing Finance Authority (AHFA), as the administrator of the HOME Program, provides opportunities for developer applicants to construct housing for some persons who are not homeless but may have other special needs. While AHFA does not specify what may be needed or desired in certain markets, they generally approve high quantities of housing for the elderly. Units for other persons with special needs are encouraged but not mandatory. HOME funds are not used for tenant-based rental assistance. Information specific to the needs of non-homeless persons who may require supportive services or housing assistance is currently not reported to the State. However, to address these needs, the following steps will be taken. Where applicable, the continuum of care groups in the State will work towards expanding their membership to include agencies that provide services to the following persons who are non-homeless: elderly, persons with HIV/AIDS, persons with disabilities, persons with alcohol or other drug addictions, and public housing residents. At a minimum, each continuum will coordinate with these agencies in its service area regarding the supportive services and housing needs of these persons. The continuums will summarize and prioritize these needs. Once this information is available, the continuums, service providers, and other interested agencies can begin to plan activities and coordinate efforts to address these needs.

HOPWA: The information regarding the HOPWA Program's selection criteria, allocation of resources, threshold factors, and outcome expectations are as follows:

STATE OF ALABAMA
HOPWA PROGRAM PY2016 ONE-YEAR ANNUAL ACTION PLAN

Introduction: Four public policy imperatives will be followed by AIDS Alabama:

1. Make subsidized, affordable housing (including supportive housing for those who need it) available to all persons with HIV.
2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.
3. Incorporate housing as a critical element of HIV health care.
4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

AIDS Alabama administers five types of housing programs geared toward persons living with HIV and AIDS. These five housing programs are available to all eligible persons throughout the State. These programs are:

1. Rental Assistance: AIDS Alabama provides a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance consists of three types:
   a. Short-Term Rent, Mortgage, and Utility Assistance (STRMU): This assists households facing a housing emergency or crisis that could result in displacement from their current housing or result in homelessness. The recipient must work with a case manager to maintain a housing plan designed to increase self-sufficiency and to avoid homelessness.
   b. Tenant-Based Rental Assistance (TBRA): This is ongoing assistance paid to a tenant’s landlord to cover the difference between market rents and what the tenant can afford to pay. Tenants find their own units and may continue receiving the rental assistance as long as their income remains below the qualifying income standard and other eligibility criteria are met.

However, the tenant must have a long-term housing plan to pursue Section 8 or other permanent mainstream housing options.

c. Project-Based Rental Assistance (PBRA): This offers low-income persons with HIV/AIDS the opportunity to occupy housing units that have been developed and maintained specifically to meet the growing need for low-income units for this population.

Also, Master Leasing category offers two units that are leased by AIDS Alabama and sublet to consumers who need low income housing; an additional unit operates in the Mobile area. Selma AIDS Information and Referral (SELMA AIR) is working with the agency to locate and begin another such unit in their area.

2. Emergency Shelter: Two emergency shelters with beds dedicated to HIV/AIDS consumers operates in Alabama. The shelters are managed by the Health Services Center of Anniston and AIDS Alabama, Inc. Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State. These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others. AIDS Alabama partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters. AIDS Alabama has completed the process of converting the Rectory into an emergency shelter-based program.

3. Transitional Housing and the Living in Balance Chemical Addiction Program (LIBCAP): The Transitional Housing Program is available to homeless, HIV-positive individuals throughout Alabama. This program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem. LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.

4. Permanent Housing: Permanent housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

a. Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS. There are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes.

b. Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit.

c. The Mustard Seed triplex offers three one-bedroom units in Birmingham.

d. Family Places is a Birmingham-based program comprised of five two-and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS. As a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate.

e. Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA. An additional house in Dadeville is also used for the project. ARAP was funded in 1995 by HUD's HOPWA Competitive program and is still being funded. Historically it has been operated through a Master Leasing program, AIDS Alabama requested and received approval to convert to a TBRA based program in 2014.

f. The Le Project, AIDS Alabama's newest housing program, offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families. While a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits.

5. <u>Service Enriched Housing:</u> Service Enriched housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

a. The only program in the State of its kind, <u>JASPER House</u> in Birmingham offers 14 beds in a single room occupancy model for persons who are unable to live independently due to their dual HIV and mental illness diagnoses. All occupants are low-income; the project is funded through HUD as a HOPWA Competitive grant and is certified as an Adult Residential Care facility by the Alabama Department of Mental Health.

The HUD PY2016 HOPWA Fund allocation to the State of Alabama equals $1,530,814. Given the preceding statistics and needs represented, AIDS Alabama will use the PY2016 HOPWA funds for the following programs:

1. <u>Rental Assistance:</u>

<u>Goal #1</u>: To support a statewide rental assistance program through qualified AIDS Service Organizations.

<u>Outcome</u>: The network of AIDS Service Organizations that has formed will be maintained, ensuring any eligible Alabama resident access to HOPWA assistance.

<u>Objective 1</u>: Provide 80 households with emergency Short-Term Rent/Mortgage and Utility (STRMU) assistance between April 1, 2016, and March 31, 2017.

<u>Outcome:</u> At least 55 households will maintain stable housing and avoid homelessness because of temporary emergency situations.

<u>Objective 2</u>: Provide 55 households with long-term, Tenant-Based Rental Assistance (TBRA) between April 1, 2016, and March 31, 2017.

<u>Outcome</u>: At least 55 households will be assisted so that consumers can remain in affordable, leased housing and experience housing stability.

AIDS Alabama will use $373,316.00 to fund both short-term and Tenant-Based Rental Assistance (TBRA), as well as Project-Based Rental Assistance (PBRA) on an as-needed basis.

Due to the agency's success at providing consumers with Tenant-Based Rental Assistance (TBRA), the budget for other rental assistance must be monitored closely and strictly managed. Cost containment measures were instituted with the approval of the AIDS Service Organization Network of Alabama (ASONA), which serves as the HOPWA advisory body for AIDS Alabama. STRMU was limited to three months, and expenditures for first month's rent and deposit were frozen. However, recent cost analyses has shown that the success of the Homeless Prevention and Rapid Re-Housing Program (HPRP) had somewhat alleviated the rental assistance program's financial burden. However, HPRP ended for the agency and its partners on March 31, 2012, and another HPRP grant proposal through ESG funds was not funded. Therefore, a decision was made to increase the maximum benefit to 17 weeks of STRMU assistance.

Historically, new TBRA applications remained frozen while the waiting list grew. Stimulus Act Programs, such as HPRP, had provided some relief to the Tenant-Based Rental Assistance Program during the last several years, but these additional programs provided only a temporary respite. However, by monitoring this program closely, AIDS Alabama was able to open the TBRA waiting list during the current program year. Each AIDS Service Organization was given an additional TBRA voucher; these were quickly filled. Additional guidelines were set to allow the AIDS Service Organizations to use vouchers that became available through attrition.

Clients access this program by visiting AIDS Alabama or one of the eight partnering AIDS Service Organizations. They then complete an application with a HOPWA-certified and trained staff member of that agency. ASONA members involved in the decision-making process about how the rental assistance funds are expended include:

- AIDS Action Coalition – Huntsville
- Health Services Center – Anniston
- Unity Wellness Center – Auburn
- Medical AIDS Outreach of Alabama – Montgomery
- Birmingham AIDS Outreach
- Selma AIDS Information & Referral
- AIDS Alabama South (formerly South Alabama CARES*) – Mobile
- West Alabama AIDS Outreach – Tuscaloosa.

*South Alabama CARES (SACARES) of Mobile has become a LLC with its own federal tax identification number as of 10/17/2012. The agency is now AIDS Alabama South and operates as a part of AIDS Alabama. This change came about because South Alabama CARES had been unable to continue existence due to severe financial reversals. The SACARES board of directors approached AIDS Alabama in the Fall of 2012 requesting assistance. AIDS Alabama created a new, financially stable agency, hired all of the South Alabama CARES employees, hired a new Executive Director, and continues to focus on helping the agency to serve the more than 1,000 HIV-positive consumers in the South Alabama area.

Input from these agencies, combined with data from focus groups, surveys, and needs assessments, drive the protocols used in the Rental Assistance program. AIDS Alabama analyzes this information and adjusts the program to facilitate balancing the amount of funds available with the ultimate goal of avoiding homelessness, keeping families stably housed, and increasing consumer empowerment to succeed in a permanent housing setting. AIDS Alabama never seeks a change to the rental assistance program without:

- Receiving input from all subcontracting agencies
- Providing a minimum of a 30-day notice to each agency
- Ensuring that changes are compliant with HOPWA regulations.

For the Short-Term Rental, Mortgage, and Utility program (STRMU), applicants must re-apply and supply proof of need for each month of assistance for up to 17 weeks in an assistance year.

For the Tenant-Based Rental Assistance (TBRA) and Project-Based Rental Assistance, the residents are responsible for a portion of the rent based on their incomes. Clients are expected to maintain quarterly contact with their social workers, as well as pay the appropriate portions of the rent and maintain utilities.

ASONA serves as AIDS Alabama's HOPWA planning council. To access rental assistance, AIDS Alabama requires annual certification of these programs by the community-based organizations that are their partners.

2. <u>Supportive Services:</u>

<u>Goal #2</u>: Provide existing housing programs in the State with supportive services.

Objective 1: Provide 16,000 legs of transportation to social service and medical appointments between April 1, 2016, and March 31, 2017.

Outcome: Transportation to mainstream support services promotes healthier and more socially connected consumers who can live independently and remain in stable housing.

Objective 2: Provide case management and support services to 2,300 consumers statewide between April 1, 2016, and March 31, 2017.

Outcome: Consumers will be linked to mainstream resources that give them the ability to remain in stable housing and to live independently.

AIDS Alabama will use $440,000 to support housing programs in the State. This support will include supportive services such as transportation, case management, first month's rent and deposit (if available), and housing outreach. AIDS Alabama provides these services in the Birmingham Metropolitan Area and to the non-Jefferson County areas in their Public Health area. Furthermore, AIDS Alabama contracts for these services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties.

3. Operating Costs:

Goal #3: Support operating costs of current housing.

Objective: AIDS Alabama will use $488,417.00 to supplement the operating cost of the permanent and transitional units between April 1, 2016, and March 31, 2017, serving a potential 300 persons statewide. These funds cover furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State as described in the previous section.

AIDS Alabama increased the amount of funds used in this category due to several reasons:

1. The aging of current property has meant exorbitant increases in maintenance costs. Housing staff must constantly inspect and repair existing properties to keep current housing stock operational as safe housing for consumers.
2. The agency has launched a capital campaign that is resulting in increased funds for some projects, but costs continue to rise.
3. The agency was able to obtain a HOME grant from the City of Mobile to help with a massive rehabilitation of the Magnolia Place Property beginning in late 2012. This relief has been great, but existing properties elsewhere across the state continue to require high rehab funding. Magnolia Place is completely rehabilitated, and the project has been a success.

Outcome: All current residents in AIDS Alabama housing will enjoy safe, secure, and healthy stable housing.

4. Master Leasing:

Goal #4: AIDS Alabama will support local efforts to fill housing gaps and to provide housing in which consumers can learn permanent housing management skills.

Objective: Between April 1, 2016, and March 31, 2017, AIDS Alabama will use $9,000.00 to provide funding for the cost of one Master leases for two-bedroom units to be used for intermediate housing with focus on support services to help consumers move toward permanent housing. This unit will provide the consumer stable housing while the case manager links them to permanent housing options and helps them to avoid homelessness. This is a reduction from previous years, showing success.

Outcome: AIDS Service Organizations other than AIDS Alabama will learn how to maintain and utilize housing in their areas to meet housing gaps.

AIDS Alabama will fund master leasing to AIDS Alabama South in the Mobile area as planned. Currently in development is another master leasing project in the Selma area which will bring Selma AIDS Information and Referral in as a stronger housing partner with AIDS Alabama.

5. Resource Identification:

Goal #5: Support resource identification efforts.

Objective 1: AIDS Alabama will spend $47,000.00 between April 1, 2016, and March 31, 2017, to support collaboration among housing and HIV-positive service partners across the state to identify low-income housing and housing development efforts. Specific actions include:

A. Attend 100% of the appropriate HIV/AIDS housing and homeless conferences.

B. Support the cost of meetings to foster collaborations that will expand affordable housing for low-income, HIV-positive consumers with in-state housing organizations, such as the Low Income Housing Coalition of Alabama, Alabama Rural Coalition on Homelessness, Alabama Poverty Project, and others.

Outcome: AIDS Alabama staff members and contractors will be equipped to provide identification of low-income housing and housing development options in the State for persons and families living with HIV disease

6. Housing Information:

Goal #6: Support ongoing housing information efforts in the State.

Objective: AIDS Alabama will use $15,000.00 to provide 7,600 individuals with HIV/AIDS housing information in a variety of venues, including health fairs, trade day events, HIV-awareness events, churches, non-traditional medical clinics, community clubs, shelters, substance abuse programs, beauty shops, jails, prisons, schools, and through other community service providers statewide between April 1, 2016, and March 31, 2017.

Outcome: HIV-positive individuals in counties throughout the State will know how to find stable and affordable housing resources.

7. Technical Assistance:

Goal #7: Provide technical assistance training around housing programs and development in Alabama.

Objective: AIDS Alabama will use $5,000.00 to provide at least two consultations and technical assistance sessions to ASONA member agencies who are engaged in specific, qualified projects between April 1, 2016, and March 31, 2017.

Outcome: Two consultations related to housing development programming to Selma AIDS Information and Referral and Medical AIDS Outreach of Alabama in Montgomery will help them to have improved goal attainment in their HOPWA contracts. Both programs have the opportunity to become part of their local Continuums of Care and position themselves to develop housing grants for their homeless consumers.

8. Administration:

The fee for administration of the HOPWA program will be $153,081 (10% per regulations). The state service agency (ADECA) will receive 3% ($45,924) as the grantee, and the project sponsor (AIDS Alabama) will receive 7% ($107,157). AIDS Alabama continues to draw on its committed sources of leverage in order to increase the capacity of the HOWPA program. Leveraged dollars from private and public sources, such as Medicaid Targeted Case Management, Ryan White case management, prevention education grants and outreach, development initiatives and newsletters, as well as private foundation grants, other HUD grants, tenant rent payments, properties, and program income allow AIDS Alabama to stretch limited fiscal resources while continuing to provide quality supportive housing services to its consumers. For Pre-Award Costs, the State requests permission to receive reimbursement for administration costs incurred prior to the award date of the agreement between the U.S. Department of Housing and Urban Development and ADECA. The costs would include eligible functions performed by ADECA's staff members during the State's administration of the HOPWA program.

HOPWA PROGRAM PY2016 Budget Summary
PY2016 Allocation: $1,530,814

HOPWA Fund Category	Federal Amount
Rental Assistance - STRMU	$100,316
Rental Assistance - TBRA	$193,000
Facility Based Housing Subsidy	$80,000
Supportive Services	$440,000
Operating Cost	$488,417
Master Leasing	$9,000
Resource Identification	$47,000
Housing Information	$15,000
Technical Assistance	$5,000
Administration	$153,081
Total	$1,530,814

As well as collaborating with state and federal entities, AIDS Alabama works diligently to secure partnerships with private sector organizations. Partnerships with the MAC AIDS Fund, the Greater Birmingham Area Community Foundation, major banking institutions, and others have allowed AIDS Alabama to increase supportive services, improve existing housing, and increase prevention efforts throughout the State. Support from such groups is also used as match and leverage to bring increased federal dollars and programs into Alabama. Each and every grant received by AIDS Alabama is used to leverage additional funding from other sources to expand the scope of that grant funding. AIDS Alabama is a proven leader in the field of HIV/AIDS prevention, education and housing assistance. We administer over 100 units of affordable housing through a variety of programs. We effectively and efficiently manage each grant awarded to the agency and our auditing and grant review records document the fact. In addition, AIDS Alabama was the only ASO in the country to receive a state wide Navigator grant in 2014 designed to educate and enroll eligible citizens in a marketplace plan through the Affordable Care Act. Our program *Enroll Alabama* reached over 10,000 people at community events and we conducted over

500 outreach education events. In the first enrollment period, *Enroll Alabama* enrolled 7500 Alabamians in an Affordable Care Act marketplace plan, we had sixty adult volunteers to take the Navigator training and become Enroll Alabama volunteers. Further evidence of our ability to administer a grant program from the ground up, from outreach to implementation. AIDS Alabama also provides culturally relevant primary prevention education to populations at greatest risk for HIV infection. ***Birmingham Many Men, Many Voices (B3MV)***, funded by the Centers for Disease Control and Prevention, includes both group and individual-level interventions for African-American Men who have Sex with Men (MSM) ages 13-29 in the Greater Birmingham area.   This program is designed to serve the same targeted client base as this request for funding. We have the experience necessary to assist the chronically homeless young adults to find housing and then to wrap them in supportive services to assure their success and that they become independent. Additionally, AIDS Alabama is an approved Medicaid provider. We access and leverage dollars by billing Medicaid for targeted case management related to access to medical treatment, mental health and substance abuse treatment. We bill Medicaid for targeted case management related to obtaining and maintaining stable permanent housing using detailed housing case assessment and planning tools focusing on defining every possible obstacle to housing and measurable goals with concrete action steps and target dates. We bill Medicaid where appropriate for Mental Health Services related to basic living skills and rehabilitative day treatment services offered to outpatient as well as to specific housing programs. Billings can include psychiatric assessment by an M.D. and individual or family group therapy. We also bill Medicaid where appropriate for Substance Abuse Services for intensive outpatient services, targeted case management, housing case assessment and planning and provision of services. Each of our Continuum of Care grants have leveraged at minimum the required amount to receive funding and in almost every case in excess of what is required.

During PY2016, AIDS Alabama will conduct a comprehensive Needs Assessment with HIV positive persons across the State of Alabama. The assessment interviews will be conducted by each AIDS Service Organization in the State and the results will be available later this year.

State Table 1 (Required)
Housing, Homeless and Special Needs
(based on 2000 Census)
Housing Needs

Household Type	**Elderly Renter**	**Small Renter**	**Large Renter**	**Other Renter**	**Total Renter**	Owner	**Total**
0 –30% of MFI							
%Any housing problem	51.7	68.8	81.2	67.0	65.2	66.3	65.7
%Cost burden > 30	50.2	64.9	66.3	65.5	62.0	64.3	63.0
%Cost Burden > 50	30.7	49.7	47.3	53.4	46.6	45.6	46.1
31 - 50% of MFI							
%Any housing problem	38.8	56.8	69.2	67.8	56.8	46.9	51.0
%Cost burden > 30	37.9	53.0	42.9	66.4	52.5	44.4	47.8
%Cost Burden > 50	12.6	11.1	5.3	19.6	13.5	21.9	18.4
51 - 80% of MFI							
%Any housing problem	25.5	23.7	45.6	28.4	27.5	32.1	30.6
%Cost burden > 30	24.1	18.0	10.2	26.5	21.0	29.2	26.5
%Cost Burden > 50	5.9	1.6	1.0	2.3	2.4	7.8	6.0

State Table 1 (Required)

Housing, Homeless and Special Needs (cont'd)
Homeless Continuum of Care: Summary of All Beds (January 2016)

Summary of All Beds Reported							
	Family Units	Family Beds	Adult-Only Beds	Child-Only Beds	Total Year-Round Beds	Seasonal	Overflow/ Voucher
Emergency Shelter	181	544	1,280	44	1,868	60	127
Safe Haven			34		34		
Transitional Housing	232	709	1,002		1,711		
Permanent Supportive Housing*	390	1,207	1,789		2,737		
Rapid Re-Housing	107	354	366		720		
Other Permanent Housing**	6	20	190		210		

*HUD's point-in-time count does not include persons or beds in Permanent Supportive Housing as currently homeless.
**Other Permanent Housing (OPH) – consists of PH – Housing with Services (no disability required for entry) and PH – Housing Only, as identified in the 2014 HMIS Data Standards.

State Table 2A (Required)
Priority Housing/Special Needs/Investment Plan

PART 1. PRIORITY HOUSING NEEDS			Priority Level Indicate High, Medium, Low, checkmark, Yes, No
Renter	**Small Related**	0-30%	High
		31-50%	High
		51-80%	Medium
	Large Related	0-30%	High
		31-50%	High
		51-80%	High
	Elderly	0-30%	High
		31-50%	High
		51-80%	Medium
	All Other	0-30%	High
		31-50%	High
		51-80%	Medium
Owner		0-30%	Medium
		31-50%	Medium
		51-80%	Medium

State Table 2A (Required)
Priority Housing/Special Needs/Investment Plan (cont'd)

PART 2 PRIORITY SPECIAL NEEDS	**Priority Level** **Indicate High, Medium, Low,**
Elderly	Medium
Frail Elderly	Medium
Severe Mental Illness	Medium
Developmentally Disabled	Medium
Physically Disabled	Medium
Persons w/ Alcohol/Other Drug Addictions	Medium
Persons w/HIV/AIDS	High
Victims of Domestic Violence	Medium
Other	

Describe all of the criteria that will be used to select applications, and the relative importance of these criteria:

CDBG: The criteria that ADECA will use to select applications for funding – per the respective CDBG Program Fund category – are stated below. Because eligible activities under the State's CDBG program are all activities listed as eligible under the Housing and Community Development Act of 1974, as amended, including public service activities proposed separately or jointly with other non-service type activities, the relative importance of these criteria is that such criteria function as the policies that govern Alabama's CDBG program, in that they:

1. Allow applicants to compete fairly for funds to address essential community facility needs.
2. Allow communities to compete equally for their varying community development needs.
3. Ensure that communities in the State can compete for funds on an equitable basis.
4. Allow for equitable competition by allowing, where feasible, small cities, large cities, and counties to compete in their respective categories.
5. Facilitate funding of important economic development projects in a timely manner.
6. Encourage communities to plan for community conservation and development.
7. Give additional consideration to those communities who commit to do the most to help themselves, taking into account their level of resources.
8. Give consideration to the community's ability to maintain CDBG improvements.
9. Make funding decisions, to the extent feasible, that aid local and regional plans.
10. Ensure that all grants are managed in a timely and effective manner.

The relative importance of the criteria also lies in the fact that such criteria are employed by ADECA staff to determine which eligible activities under the State's CDBG Program will be approved to receive grant funds pursuant to the requirements of the Housing and Community Development Act of 1974, as amended. Of particular importance is the Housing and Community Development Act's requirement that the State furnish its citizens with "the estimated amount (of funds) proposed to be used for activities that will benefit persons of low and moderate income."

Because the State estimates that at least 80 percent of its PY2016 CDBG funds will be used for activities that primarily benefit low and moderate income persons, and because the State estimates that the remaining 20 percent of funds are to be used for the prevention or elimination of slums and blight (such as the Planning Fund grants) and to assist communities with imminent threats to public health and safety when no other financial resources are available, the development of and adherence to such evaluation criteria will ensure that the State achieves this 80%-20% distribution of funds goal.

1. Applications for County Fund, Large City Fund, and Small City Fund (Competitive Process)

CDBG funds allocated to the County Fund, Large City Fund, and Small City Fund will be distributed through a competitive process. Eligible communities may submit one competitive application which may contain one or more activities that are designed to address single or multiple needs. The project may take a comprehensive scope designed to revitalize an identified project area, it may be a stand-alone activity to address a specific need, or it may undertake two or more activities in a general project area that together enhance the scope of the project by way of cost efficiency, project visibility, public welfare, or other reasons. The aim of the competitive process is to compare all applications in the same Fund category to each other within the framework of criteria set up to judge the merits of community development activities. This entails assigning points based on how well an application addresses each rating criterion. To ensure that the competitive process is fair, all applications must be submitted by a specific cut-off date, and no changes may be made in an application after its submission to ADECA. ADECA may request clarification of the proposal that in no way affects the substance of the application, or ADECA may require minor project modifications in the interest of enhancing the scope and/or impact of the project's activities.

Criteria for Rating County Fund Grants, Large City Fund Grants, and Small City Fund Grants (Competitive Grants): All counties, large cities, and small cities will compete for funds from a respective category (County Fund, Large City Fund, and Small City Fund). All applications will be rated for a maximum score of 200 points. Applications will be funded in order of decreasing scores until funds in a given Fund category are exhausted. The criteria for rating applications will be as follows:

Rating Criteria	**Total Points Allowed**
1. Nature of Benefits	130 points
2. Local Match	20 points
3. Cost/Benefit Ratio	50 points
Total	200 points

1. Nature of Benefits: The following four evaluation areas will be used to determine points under the Nature of Benefits rating criteria. The PY2016 Application Guide will provide additional details for meeting the reporting and documentation requirements of these broad evaluation areas.

a. Needs Assessment – Assessment of community-wide needs associated with housing and essential community development facilities including the needs of low and moderate income households.

b. Project Development – Description of the need(s) to be addressed, the process used to identify the need(s), and the activities that would best address the need(s), including alternatives considered.

c. Impact – Qualitative and quantitative description of project impact in addressing the needs of the project area and/or the community including the number of beneficiaries, low and moderate income beneficiaries, directness of benefit, urgency or criticalness, secondary benefits, and life expectancy of improvements.

d. Other Considerations – Consideration of the adequacy of utility rates, operations and maintenance capacity, local participation, local capacity to implement a CDBG project, distress factors, cost efficiencies, utilization of innovative approaches, past efforts, or other relevant factors not previously discussed.

2. Local Match: Up to 20 points will be available for communities providing local match. Points will be awarded based on the percent of local funds divided by the total CDBG funds. Two points will be awarded for a one percent (1%) match, 4 points will be awarded for two percent (2%) match, up to 20 points for a ten percent (10%) match. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required and the full 20 points will be awarded in this category.

3. Cost/Benefit Ratio: This is the measure of project cost per beneficiary, and the scoring will be based on a comparison of the applicant's cost per beneficiary for each activity to the base level ratio. A level ratio base of $4,000 for all public facilities, $8,500 for housing, and $14,500 for relocation has been established. Applicants with ratios at or below these levels for each activity will receive maximum points for these activities. For projects with more than one substantial activity, the point score will be based on the weighted average of the activity cost of all proposed substantial activities. The cost beneficiary ratio will be computed based only on the requested CDBG dollars. The rating forms that will be used to score competitive applications will be publicly available at the CDBG Application Workshop. All eligible cities and counties will be notified about the date, time, and place of the CDBG Application Workshop.

2. Applications for Community Enhancement Fund

The purpose of the Community Enhancement Fund is to allow the State the flexibility to fund important projects through an evaluation and review process. The fund can be used to provide funding for eligible activities that communities consider important to enhance the community in a manner beyond providing for the more basic and essential needs, or for any other eligible CDBG activity. Examples of activities include facilities for fire protection, emergency 911 telephone service, senior centers, boys and girls clubs, recreational facilities, removal of architectural barriers, historic preservation, downtown/neighborhood revitalization, and community centers. Eligible applicants for the fund are all non-entitlement local governments who meet applicable thresholds. Applications for the fund must be submitted by the announced cut-off date.

Criteria for Rating Community Enhancement Fund Grants: The Community Enhancement Fund grant applications will be reviewed by ADECA staff for compliance with a National Objective and eligibility thresholds. The applications will be reviewed for factors including:

1. Assessment of need for project
2. Importance of activity to community
3. Clarity of benefit to low and moderate income persons or limited clientele
4. Community involvement/efforts or joining of two or more communities to

address common needs

5. Project description
6. Financial feasibility
7. Cost reasonableness
8. Capacity for operation and maintenance
9. Local match
10. Past efforts.

Special consideration will be given to projects that effectively demonstrate community involvement/efforts in the design, implementation, and promotion of the project. Consideration will also be given to projects where two or more eligible applicants jointly propose to carry out activities to address mutual needs. Depending on the nature of the needs and the type and extent of beneficiaries, a separate grant ceiling may be permitted. Funding and implementation of such joint projects will be subject to HUD rules. The staff evaluation will be used to guide the selection of the projects although the Director may vary from the staff evaluation when a particularly strong need is perceived. The staff evaluation will consist of two independent reviews comprised of a 0-5 point scale where "0" indicates that the project is ineligible for one or more reasons, "1" indicates a weak project and "5" indicates a very strong project. A grant ceiling of $250,000 and a minimum grant of $50,000 has been established for the fund. The Director may waive either of these limits. The Fund will require a specific local match equal to or exceeding 10 percent (10%) of the CDBG request. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required, if the applicant lacks the financial capacity to provide the match. Projects will be funded from the total highest score in decreasing order until the monies are depleted. When funds are not available to fund all projects with similar scores, the site evaluation will determine the project(s) to be funded.

3. <u>Applications for Planning Fund</u>

The purpose of the Planning Fund is to assist communities having a need for comprehensive or other planning. Eligible plans include comprehensive plans, elements of comprehensive plans, downtown revitalization plans, eligible components of regional studies, or other strategies and studies important to sound and effective community growth and development. The ceiling for these grants will be $40,000 with a provision for a waiver, although applications requesting smaller amounts will be viewed more favorably unless a very substantial need or opportunity is demonstrated. A cash match of twenty percent (20%) of the project cost will be required. However, for jurisdictions of 1,000 or less population (as determined by the 2010 Census) when the applicant lacks the financial capacity, the match may be waived. Applications will be considered on a continual basis until the cut-off date. The grant awards will be made based on the following considerations:

<u>Criteria for Rating Planning Fund Grants</u>: The Planning grant applications will be reviewed by ADECA staff for the following factors:

1. How the proposed project will contribute to principally benefiting low and moderate income persons, or how the proposed project will contribute to aiding in the prevention of slums and blight.
2. Need and urgency of planning activities proposed. The State reserves the right not to fund a project if need or urgency is not clearly demonstrated and if the amount requested is

not appropriate for the plan or the size of the planning area involved.

3. How the proposed project will contribute to the development of a planning process which will serve as a guide for orderly and/or consistent growth and community development.

4. How the proposed project will aid in, or contribute to the involvement or creation of, various community groups, advisory councils, planning/zoning districts, redevelopment authorities, etc., in the ongoing planning process.

5. Amount of funds requested relative to the size of the community, complexity of the proposed elements, and the final product. This consideration will be particularly important where larger grant requests are involved.

6. Prior year grants received as well as implementation of prior planning efforts.

4. Applications for Economic Development Fund

The purpose of the Economic Development Fund (ED Fund) is to allow the State to fund activities necessary to take advantage of economic development opportunities that would result in the creation or retention of jobs. In addition to PY2016 money allocated for the ED Fund, approximately $165,000 is expected in Program Income from earlier loans that will be available for funding of ED Fund projects or for making payments on Section 108 loans. Also, the CDBG Float Loan will be covered in this “Applications for Economic Development” section, since Float Loans will be used only for economic development. However, funds used for short-term grants, or Float Loans, will come from all categories of grants. The ED Fund projects will be funded under four distinct categories: (a) ED Grants, (b) ED Incubator Projects, (c) ED Loans, and (d) ED Float Loans. The eligible ED Fund projects will be generally funded in the order the applications are received by ADECA, regardless of the Fund category under which they fall. Eligible applicants for ED Grants, ED Loans, and ED Float Loans include all non-entitlement local governments, provided other applicable thresholds are met. The applicable grant ceilings and minimums for ED Fund projects will be as cited earlier in the section on grant ceilings. The rules and requirements which will govern ED Grants, ED Loans, and ED Float Loans are spelled out under respective headings in the following paragraphs.

4(a). ED Grants: Eligible applicants may apply for ED Grants to provide land, facilities, and infrastructure such as water lines, sewer lines, rail spurs, docks, cranes, access roads, etc., to facilitate the creation and/or retention of jobs by a new or existing business. The eligible applicants may also apply for ED Grants to assist a public, private, nonprofit, or such other entity, including a business, in support of an economic development project that will result in the creation of jobs, including jobs for unemployed, under-employed, and recipients of welfare assistance. The State will exercise maximum flexibility and maximum controls in considering activities that will have a direct and significant impact on the creation of jobs. The assistance to public, private, or any such entity may be in the form of a grant, loan, or deferred payment loan, and may pay for activities eligible under the CDBG Program that include day care and related facilities, transportation, and operations. A grant ceiling of $200,000 and a floor of $50,000 will apply. Applications may be submitted anytime during the program period, and applications will be funded on an “as needed” basis. The State will maintain the right to deny funding of any application during the program period, depending on the quality of the project, or the results of past projects, or considerations such as labor supply, wage levels, environmental effects, etc. The State may waive the $200,000 grant ceiling if the merit of the project shows a significant long-term economic benefit for the State. In rare and exceptional cases, the State may award ED Grants using ED Fund, Recaptured Fund, Program Income, or other funds in support of Section 108 Loan Guarantee projects. ED Grants may be used toward loan payments, debt retirement, and other eligible purposes. The amount and appropriateness of such ED Grants may take into consideration factors such as the size of the project, magnitude of local support, overall impact, and unique features associated with the project. Projects involving such ED Grants will be governed by Section 108 Loan Guarantee requirements, and may be granted exemptions from the ED Grant's threshold requirements that are listed below, and which are in addition to the overall thresholds listed elsewhere in this Action Plan.

Additional Threshold Requirements for ED Grants: The ED Grant threshold requirements are as follows:

1. The proposed activities must be associated with the location of a new business or an expansion of an existing business generally creating 15 or more jobs. Projects proposing job retention will generally not qualify for ED Grants unless, in the opinion of the State, significant job losses will have a long-term detrimental effect on the community and low and moderate income people. For projects involving job creation or job retention without a capital expansion, the State may disregard such expansion requirement if, in the opinion of the State, significant economic impact and benefit to low and moderate income persons merit such a decision.
2. The grant applicant must have a commitment from the business to create and/or retain the jobs as described in the application.
3. The project must generally fall in the SIC Code 20 through 39, or consist of major warehousing or distribution centers, or such other activities having a prospect of significant economic impact.
4. At least 51 percent of the project beneficiaries specified in the application must be persons of low and moderate income.
5. The project must include a local match of at least 20 percent of the requested ED Grant. This amount may be eliminated for projects when the applicant's population, as determined by the 2010 Census, was 1,000 or less and the applicant lacks the financial capacity to provide the match. Under extremely extenuating circumstances, the ADECA Director may provide a waiver to the local match requirement.
6. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs. This is subject to 24 CFR Part 570 pertaining to the prohibition on the use of CDBG grant assistance for job-pirating activities.
7. ED Fund grants will not be made in cases where construction of the private facility has already started prior to grant award or the earliest possible date of Release of Environmental Conditions by ADECA. If such start is unavoidable, a waiver may be granted if a request is made to ADECA to do so prior to the start of any construction activity at the project site.

Criteria for Rating ED Grants: The ED Grant applications will be reviewed by ADECA staff on a continuous basis for conformance with the thresholds, and the funding decisions will be guided by the following factors:

1. The importance of the proposed activities to the location or expansion of a business

2. The number and certainty of proposed jobs
3. The proposed local match amount
4. The scope of a new business or expanding business, i.e., products, product markets, current or projected employment and payroll, labor skills required, etc.
5. The urgency of proposed activities
6. The importance of the project to further welfare reform objectives.

4(b). ED Incubator Projects: The State will provide assistance to eligible communities from the ED Fund to support ED Incubator Projects that will commit to create new jobs. For the purposes of the CDBG Program, an "Incubator" is defined as "a building and program operated either by a private entity, a nonprofit organization, or a unit of local government, for the primary purpose of aiding fledgling businesses in their efforts to survive and grow during the first 3 to 5 years of existence. Such aid may come in the form of subsidized floor space, equipment, professional services, or other assistance viewed as appropriate by the State." Eligible applicants may apply for ED Incubator Project grants anytime during the program period. A grant ceiling of $250,000 will apply. The State will maintain the right to deny funding of any ED Incubator Project application depending on the quality and/or certainty of the proposal.

No Additional Threshold Requirements for ED Incubator Projects: The CDBG Program threshold requirements listed elsewhere in this Action Plan will apply to all ED Incubator Projects.

Criteria for Rating ED Incubator Projects: The ED Incubator Project grant applications will be reviewed by ADECA staff for conformance with the thresholds, and the funding decisions will be guided by the following factors:

1. The criteria or system to be set up by an "Incubator" program to assure that 51 percent of the beneficiaries of the program are low and moderate income persons.
2. The desirability of the proposed Incubator site, based on:
   a. Proximity to a metropolitan area or other center of economic activity
   b. Accessibility of jurisdiction
   c. Accessibility of site
   d. Quality and suitability of structure or proposed structure
   e. Level of infrastructure serving site
3. The evidence of local support, including:
   a. Financial
   b. Professional
   c. Other
4. The feasibility of the program, based on:
   a. Clarity of the program
   b. Certainty that the program will be carried out for a specific period
   c. Background and credentials of the personnel in the program
   d. Nature of the program.

4(c). ED Loans: Eligible applicants may apply for ED Loan funds anytime during the program period to make loans to private businesses for locating or expanding in the community and creating or retaining jobs for low and moderate income persons. ED Loans can be used for purchasing land, buildings and equipment, site improvements, construction or renovation of buildings, operating capital, or any other CDBG-eligible activity. A reasonable percentage of an ED Loan project may be a grant to cover administrative costs. Deferred payment loans will have a write-off provision. Loans made from the CDBG Revolving Loan Fund will be governed by the same requirements as loans from the CDBG ED Fund. ED Loan funds used by communities to make loans to private businesses will have a payback requirement. The determination as to the local government's disposition of the proceeds of repayment of loans will generally be made at the time an ED Loan is funded. As required by Section 104(j) of the Housing and Community Development Act, the State will, as part of all application reviews, recognize the applicant's right to retain Program Income to the extent such income is applied to continue the activity from which such income was derived. The repayments may be allowable to the regional commissions / councils to be used for similar purposes if they are determined to be nonprofit organizations serving the development needs of the communities in non-entitlement areas. A grant ceiling of $250,000 will apply to applications requesting ED Loan funds, although there is a waiver provision. The State will maintain the right to deny funding of any application or activity during the program period depending on the quality of the loan, the appropriateness of the proposed project, or the capacity of the community to undertake such a project. ED Loan threshold requirements are listed below, and are in addition to the overall thresholds listed elsewhere in this Action Plan.

Additional Threshold Requirements for ED Loans: The ED Loan threshold requirements are as follows:

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.
2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.
3. The applicant must have a commitment from the business to create or retain jobs.
4. Beneficiaries of ED Fund projects must be at least 51 percent low and moderate income persons.

Criteria for Rating ED Loans: The ED Loan applications will be reviewed by ADECA staff on a continuous basis for conformance with the thresholds and other regulatory requirements, and the funding decisions will be guided by the following factors:

1. CDBG dollars per permanent job
2. Leverage ratio (private dollars as compared to CDBG dollars)
3. The actual number of permanent jobs to be created or retained
4. Potential for spin-off benefits
5. Job diversification
6. Loan pay-back/collateral.

4(d). ED Float Loans: ED Float Loans are short-term loans which will be made out of appropriated, but unexpended, CDBG program funds (such funds may be from any fiscal year) that may have been allocated to specific program activities. The purpose of ED Float Loans is to allow the State to fund activities necessary to take advantage of economic development opportunities, which will principally benefit low and moderate income persons. ED Float Loan funds used for short-term loans will come from all categories of grants. A reasonable amount of Program Income or Recaptured Funds may be used to provide a grant to administer an ED Float Loan. As ED Float Loans are repaid, the repayment of principal will be used to restore all funds from which the monies initially came, while the interest will generally be used to increase the State's CDBG ED Fund. As indicated above under the Section on ED Loans, the State will recognize the local government's right to retain Program Income when such income is to be applied to continue the activity from which the income was derived. The amount of funds available for ED Float Loans will be determined by careful monitoring of the fund flow needs of the CDBG Program. Because the State recognizes that the ED Float Loan program entails some risk, each request will be analyzed on the basis of the need of grants previously funded. ED Float Loans will be made only after it has been determined that, to the maximum extent possible, the amount and term of any ED Float Loan will not commit the State's letter of credit balance to the degree that other previously-funded grants are delayed or jeopardized. ED Float Loans may come from more than one year's funds with the amount from one year being less than the minimum. Eligible applicants for ED Float Loans are all non-entitlement local governments that meet the CDBG Program thresholds listed elsewhere in this Action Plan.

The ED Float Loan program's primary objective is to expand economic opportunities, principally for persons of low and moderate income. Normally, the ED Float Loan program will be used only to aid in the creation of new jobs and on projects where there is likely to be a substantial economic development impact. In exceptional circumstances, the ED Float Loan program may be used to help retain jobs. Of the jobs to be created or retained, at least 51 percent must be occupied by or made available to low and moderate income persons. If ED Float Loans are made in order to retain jobs, the applicant must clearly demonstrate that, without CDBG assistance, the jobs would be lost. The ED Float Loans can be used to finance any necessary activity, including acquisition, site preparation, new construction, renovation, purchase of machinery and equipment, working capital, refinancing, and other CDBG-eligible activities approved by the State. The minimum ED Float Loan amount shall be $1 Million, and the maximum loan amount shall be $10 Million. The maximum and minimum loan amounts may be waived by the State when significant long-term economic benefits for low and moderate income persons are involved. The ED Float Loan term will be for one year, and can be extended for one additional year. Interest earned on ED Float Loans will be treated as Program Income and will be used for CDBG-eligible activities.

<u>Criteria for Rating ED Float Loans</u>: Applications for ED Float Loans will be considered by the ADECA staff on a continuous basis. However, due to the unique nature of the ED Float Loan program, the State intends to fund only a limited number of projects from these funds. Prior to accepting any ED Float Loan application, the State will require a thorough review of the project with the State. ED Float Loan funding decisions will be based on the following factors:

1. Conformance with the National Objective
2. Loan security, which shall be in the form of an irrevocable letter of credit or such other security acceptable to the State
3. Number of jobs involved
4. Private investment
5. Unemployment/community distress
6. Job diversification
7. Indirect/spin-off benefits.

5. Applications for Section 108 Loan Guarantees

The purpose of Section 108 Loan Guarantees is to provide communities with an opportunity to seek loan guarantees to finance economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. Section 108 Loan Guarantees must be approved by the Secretary of HUD. The applicable ceiling is $10 Million per project, with a waiver provision. No more than the HUD-established limit will be committed annually. For projects with significant economic impact, the State may use the ED Fund, Recaptured Fund, Program Income, or other funds to grant an appropriate amount toward Section 108 Loan Guarantee payments and for debt retirement. Eligible applicants include all non-entitlement communities who meet the CDBG threshold requirements listed elsewhere in this Action Plan as well as the additional thresholds listed below.

Additional Threshold Requirements for Section 108 Loan Guarantees: The Section 108 Loan Guarantee threshold requirements are as follows:

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.
2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.
3. The applicant must have a commitment from the business to create (or retain) jobs and make private investment as described in the application. In those instances where a business has not yet been identified, then the applicant must commit to create a certain number of jobs within a specified amount of time acceptable to the State.
4. Beneficiaries of Section 108 Loan Guarantee projects must be at least 51 percent low and moderate income persons.

Criteria for Rating Section 108 Loan Guarantees: Applications for Section 108 Loan Guarantees will be considered by the ADECA staff on a continuous basis, since opportunities for economic development may arise at any time. Section 108 Loan Guarantees will be evaluated in accordance with 24 CFR Part 570, the Section 108 Final Rule, along with consideration being given to:

1. Section 108 dollars per permanent job
2. Actual number of jobs to be created or retained
3. Potential for spin-off benefits.

Alabama's Interim Plan for Minimizing Displacement from Use of CDBG Funds: The Housing and Community Development Act requires that the State furnish citizens with its "plans for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced." Alabama's plan is as follows:

1. Minimizing Displacement: The State will discourage grant applicants from designing programs that involve extensive displacement. Grant applicants should displace persons and businesses only when there is no reasonable alternative to accomplishing the purposes of their program. The State's criteria/rating system addresses the higher costs of programs which involve displacement by making more expensive solutions to problems less competitive.
2. Persons Actually Displaced: Grant applicants shall plan for the probability of

displacement in program design by requesting sufficient funds to accommodate the costs of displacement. Grant recipients shall provide from CDBG funds, or their own resources, for the reasonable costs associated with all displacement necessary to carry out the purposes of the grant recipient's program.

HOME: For the HOME Program, please see the 2016 HOME Action Plan under "III. ALABAMA'S HOME PROGRAM" for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

ESG: For the ESG Program, applications should provide the applicants' strategies to provide emergency shelter, street outreach, homelessness prevention, and rapid re-housing assistance. Project reviews will include the following criteria:

a. demonstrated need for assistance in the service area;
b. plan to provide services to the target population;
c. capacity to carry out program requirements;
d. activities to be performed;
e. coordination with local agencies serving similar target populations.

HOPWA: Not applicable. AIDS Alabama is the recipient of the HOPWA Program funds from ADECA. AIDS Alabama subsequently works with its service providers to deliver the HOPWA services.

If only summary criteria were described, how can potential applicants access application manuals or other State publications describing the application criteria? (CDBG only):

CDBG: ADECA's CDBG Program information (including grant application, program compliance, financial, monitoring, close-out, and record retention information) and related documents (including application manuals and other publications) are posted on the ADECA website at www.adeca.alabama.gov, under the "Community and Economic Development Division" heading, at the "Community Development Programs" section. This information is also available in paper format at the ADECA Community and Economic Development Division's headquarters office located at 401 Adams Avenue, Room 500 in Montgomery, Alabama 36130. Inquiries for such information may also be made to Mr. Shabbir Olia, Unit Chief of the ADECA Community and Economic Development Division's CDBG Unit, at that same address, and by telephone number 334-242-5468, and by the email address Shabbir.olia@adeca.alabama.gov. Also, ADECA's CDBG grant application manuals are distributed at ADECA's CDBG Application Workshop that is conducted annually in the Spring. Announcements for such workshops are posted on the ADECA website. All potential grant applicants are encouraged to utilize these documents, and attend the annual application workshops, when drafting and submitting CDBG applications to ADECA.

HOME: Not applicable.

ESG: Not applicable.

HOPWA: Questions for AIDS Alabama may be directed to Kevin Finney, Director of Operations (Financial); Nathan Salter, Administrative Director of Programs; or Kathie M. Hiers, Chief Executive Officer, at 205-324-9822.

Describe the process for awarding funds to State recipients, and how the State will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations (ESG only):

CDBG: Not applicable.

HOME: Not applicable.

ESG: The application submission date for ESG funds will be announced during the ESG Application Workshop or through another widely distributed notification process. Applicants are limited to local units of government and private nonprofit organizations. Funds will be awarded competitively based on the factors reviewed below. The State may exercise discretion to fund requests fully or partially, if so warranted, to maximize impact on the State's homeless and other ESG-eligible clientele. The State may conduct site visits to potential subrecipients. The site visits may influence funding decisions. Applications will be rated in the following areas:

a. Identification of Homeless Assistance Needs = 20 Points

Applicants will identify the homeless assistance needs they propose to address for their service area including the needs of other eligible clientele such as victims of domestic violence. Applicants should specifically address the needs of the unsheltered homeless persons in their service area. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families actually served during the last calendar year.

b. Applicant's Strategy to Address Homeless Problems = 25 Points

Applicants will describe their strategy for addressing homeless problems. They will provide specific data quantifying the types of assistance or services provided to homeless individuals and families or those persons at risk of homelessness during the last calendar year. Applicants will estimate the number of participants they propose to assist in relation to the types of assistance to be provided. They should explain their strategy for targeting funds to the neediest persons, or to the geographic or functional areas where funds may have the greatest impact.

c. Capacity and Coordination = 20 Points

Applicants will describe their management capacity, especially that of all second-tier subrecipients, if any. Provide specific details relating to direct or related experience with service provision to homeless individuals and families or those at-risk of homelessness. Applicants will provide their plan to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible.

d. Participation in a Continuum of Care = 15 Points

The applicant will demonstrate a thorough understanding of the "continuum of care" concept and explain how the services provided by it or its second-tier subrecipients are in line with this concept. This will include information concerning membership in an existing Continuum of Care Homeless Coalition. Explain the levels of participation for the applicant and that of the second-tier subrecipients regarding continuum initiatives, activities, and programs. Provide details regarding the strategies of the particular continuum for serving the homeless.

e. Match = 10 Points

Points will be given based on the clarity of proposed match. Match (in-kind or cash) must be explained as to how its use relates to the activities allowed under the McKinney Homeless Assistance Act, as amended. Match must be verified to include resolutions and letters detailing sources of funds. If match comes from the city or the county, then the source of funds (general fund) must be identified. Letters from banks, organizations, or donors specifying donated items will be needed. Volunteer hours and fundraising efforts will need to be discussed in enough detail to establish validity. The service area or activities for which volunteer hours will be used must be clearly indicated.

f. Budget = 10 Points

The budget narrative must consist of a thorough explanation of activities involved with the request. Each budget category (Administration, Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-Housing, and HMIS) must give a detailed description of costs. The applicant's budget must be the aggregate of the second-tier subrecipients' budgets. In addition to the budget forms, each agency for which funds are requested should submit its annual budget that shows the source and amount of other funds received.

TOTAL POINTS AVAILABLE = 100 Points

If necessary, the State may request additional information to assist with reviews. State subrecipients will be required to ensure that program information is available in the appropriate languages for the geographic areas to be served with ESG funds.

In the event of tied scores where funding is not available to all applicants, the ADECA Director will exercise discretion in funding requests with the most impact. The ADECA Director may also exercise discretion in adjusting funding awards to serve needs in a greater number of communities without significantly reducing the effectiveness of proposed programs.

HOPWA: Not applicable.

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations) (HOPWA only):

CDBG: Not applicable.

HOME: Not applicable.

ESG: Not applicable.

HOPWA: AIDS Alabama annually contracts with eight other AIDS Service Organizations (ASOs) to provide case management, rental assistance, direct housing, and outreach services statewide. AIDS Alabama works with eight partnering AIDS Service Organizations for rental assistance funds, and these include:

- AIDS Action Coalition – Huntsville
- Health Services Center – Anniston
- Unity Wellness Center – Auburn
- Medical AIDS Outreach of Alabama – Montgomery
- Birmingham AIDS Outreach

- Selma AIDS Information & Referral
- AIDS Alabama South (formerly South Alabama CARES*) – Mobile
- West Alabama AIDS Outreach – Tuscaloosa.

  South Alabama CARES (SACARES) of Mobile has become a LLC with its own federal tax identification number as of 10/17/2012. The agency is now AIDS Alabama South and operates as a part of AIDS Alabama. This change came about because South Alabama CARES had been unable to continue existence due to severe financial reversals. The SACARES board of directors approached AIDS Alabama in the Fall of 2012 requesting assistance. AIDS Alabama created a new, financially stable agency, hired all of the South Alabama CARES employees, hired a new Executive Director, and continues to focus on helping the agency to serve the more than 1,000 HIV-positive consumers in the South Alabama area.

In providing rental assistance, the Master Leasing category offers two units that are leased by AIDS Alabama and sublet to consumers who need low-income housing; an additional unit operates in the Mobile area. In providing emergency shelter, two emergency shelters with beds dedicated to HIV/AIDS consumers operate in Alabama. The shelters are managed by the Health Services Center of Anniston and AIDS Alabama, Inc. Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State. These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others. AIDS Alabama partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters.

In providing permanent housing, Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS - there are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes. Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit. The Mustard Seed triplex offers three one-bedroom units in Birmingham. Family Places is a Birmingham-based program comprised of five two-and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS - as a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate. Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA - an additional house in Dadeville is also used for the project. ARAP was funded in 1995 by HUD's HOPWA Competitive program and is still being funded - historically it has been operated through a Master Leasing program, AIDS Alabama requested and received approval to convert to a TBRA based program in 2014. The Le Project, AIDS Alabama's newest housing program, offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families - while a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits. In providing service enriched housing, the only program in the State of its kind, JASPER House in Birmingham offers 14 beds in a single room occupancy model for persons who are unable to live independently due to their dual HIV and mental illness diagnoses. All occupants are low-income; the project is funded through HUD as a HOPWA Competitive grant and is certified as an Adult Residential Care facility by the Alabama Department of Mental Health.

As well as collaborating with state and federal entities, AIDS Alabama works diligently to secure partnerships with private sector organizations. Partnerships with the MAC AIDS Fund, the

Greater Birmingham Area Community Foundation, major banking institutions, and others have allowed AIDS Alabama to increase supportive services, improve existing housing, and increase prevention efforts throughout the State.

Describe how resources will be allocated among funding categories:

CDBG: The State of Alabama's PY2016 CDBG Program award in the amount of $21,904,212 will be allocated among the following funding categories:

PY2016 CDBG Program Allocation = $21,904,212

FUNDING CATEGORY	**CDBG AMOUNT**
Total Allocated to Alabama	$21,904,212
County Fund	$2,750,000
Large City Fund	$5,000,000
Small City Fund	$5,772,086
Economic Development Fund	$4,500,000
Planning Fund	$125,000
Community Enhancement Fund	$3,000,000
State Administration	$538,084
State Technical Assistance	$219,042

HOME: The State of Alabama's PY2016 HOME Program award in the amount of $8,121,398 will be allocated as stated in the 2016 HOME Action Plan under "III. ALABAMA'S HOME PROGRAM." That Plan contains information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

ESG: The State of Alabama's PY2016 ESG Program award in the amount of $2,486,800 will be allocated among the eligible funding categories: administration, street outreach, emergency shelter, HMIS (Homeless Management Information System), homelessness prevention, and rapid re-housing. The allocation among funding categories depends on the applications received and the amounts requested and selected for funding.

HOPWA: The State of Alabama's PY2016 HOPWA Program award in the amount of $1,530,814 will be allocated among the following funding categories:

PY2016 Allocation: $1,530,814

HOPWA Fund Category	**Federal Amount**
Rental Assistance - STRMU	$100,316
Rental Assistance - TBRA	$193,000
Facility Based Housing Subsidy	$80,000
Supportive Services	$440,000
Operating Cost	$488,417
Master Leasing	$9,000
Resource Identification	$47,000
Housing Information	$15,000
Technical Assistance	$5,000
Administration	$153,081
Total	$1,530,814

Describe threshold factors and grant size limits:

<u>**CDBG**</u>: <u>CDBG Program Thresholds</u>: The following program thresholds will apply to communities that wish to apply for PY2016 funds:

[NOTE: The County Fund, the Large City Fund, and the Small City Fund collectively are referred to herein as "Competitive Funds."]

1. Cities and Counties with any open Economic Development Fund or Planning Fund PY2013 or earlier grant funded in calendar year 2013 or earlier as of March 31, 2016, will sit-out for all funds except for the Economic Development Fund.
2. Cities and Counties with an open grant (except Economic Development Fund or Planning Fund) from any Fund as of March 31, 2016, will sit out for all funds except for the Economic Development Fund.
3. Cities and Counties that have applied unsuccessfully for an eligible project for three consecutive years will receive an additional consideration for their PY2016 application.
4. Cities and Counties eligible to apply for Competitive Funds and Community Enhancement Funds will be limited to only one application from either one of those two Funds.
5. A unit of local government may not apply if it has an unresolved audit finding involving disallowed costs as the result of a determination made by a private audit, an ADECA financial review, or an ADECA CDBG staff monitoring. However, a waiver may be provided in cases where the ADECA Director has reviewed a grantee's proposed response to the finding and has determined that repayments due the State are secured by an appropriate security instrument, stream of income, or other adequate measures.
6. A unit of local government may not apply if it owes the State or Federal government money as the result of determinations made by a private audit, an ADECA financial review, or an ADECA CDBG staff monitoring. However, a waiver may be provided in cases where the ADECA Director has determined that repayments due the State are secured by an appropriate security instrument, stream of income, or other adequate measures.
7. A proposed project must stand alone to serve the proposed beneficiaries without the need for additional funds that are not shown in the grant application, unless the other necessary funds are known of and verifiable by the State. Any other funds shown in the grant application must be verifiable by the State.
8. An applicant must demonstrate the ability to maintain any facilities funded under the CDBG Program.
9. An applicant must not have been deemed by the State to lack capacity to carry out a project funded under the CDBG Program.
10. An applicant's regular program must benefit at least 51 percent low and moderate income persons, unless it is a housing rehabilitation program in which case the beneficiaries must be 100 percent low and moderate income, or if it is a project that addresses slum and blight, in which case it must meet the slum and blight National Objective.
11. Applications for the Planning Fund must present thorough evidence showing how the activity will address one of the National Objectives applicable to Planning Funds grants.
12. Where eligibility for any grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by March 31, 2016, for the grant to be considered closed out. State policies concerning funds retained for administrative/engineering costs will be considered when determining grant closeout dates.
13. Grants funded by special HUD allocations for programs such as disasters, neighborhood stabilization (NSP), or recovery (CDBG-R), will not prohibit those jurisdictions

from applying for PY2016 CDBG Program funds.

14. For any issue or subject not addressed in this Action Plan, or in the case of conflicting issues, the ADECA Director will make a final ruling based on the precedents, established practices, or what is otherwise determined to be in the best interest of the State. In rare cases, the ADECA Director may provide a waiver from these Thresholds if specific situations merit such a waiver.

[NOTE: Additional CDBG thresholds for the ED Grants, ED Loans, and Section 108 Loan Guarantees are listed herein under this **AP-30 Method of Distribution** section.]

<u>CDBG Grant Size Limits/Ceilings</u>: In order to address needs throughout Alabama's non-entitlement areas of the State, the CDBG Program will use the following grant size limits/ ceilings. The figures stated below establish general ceilings and minimums on the grant amounts that may be requested per Fund, and on the individual grant amounts that may be requested in each grant application. For valid reasons, the ADECA Director may modify or altogether eliminate allocations in order to maintain program integrity. In the award of CDBG grant amounts, ADECA shall give consideration to the size of the community requesting funds, and to the requirements of the community's proposed project. ADECA and grant applicants recognize that requesting the maximum grant amount allowable will not always be appropriate.

Fund	Ceiling/Minimum
County Fund	$350,000 Ceiling
Large City Fund	$450,000 Ceiling
Small City Fund	$350,000 Ceiling
Community Enhancement Fund	$250,000 Ceiling/$50,000 Minimum
Planning Fund	$40,000 Ceiling
Section 108 Loan Guarantees	$10,000,000 Maximum

Economic Development Fund	Minimum	Maximum
ED Grants	$50,000	$200,000
ED Incubator Projects	$50,000	$250,000
ED Loans	$50,000	$250,000
ED Float Loans	$1,000,000	$10,000,000

<u>HOME</u>: For the HOME Program, please see the 2016 HOME Action Plan under "III. ALABAMA'S HOME PROGRAM" for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

<u>ESG</u>: The ESG Program Thresholds are as follows: An applicant may not be listed as a second-tier subrecipient in another application. However, a second-tier subrecipient may be listed as a second-tier subrecipient in more than one application. No applications will be accepted under the following circumstances:

a. The applicant owes the state or federal government money and no repayment arrangement is in place.

b. Disallowed costs have resulted from an ADECA review or audit and no resolution is finalized.

c. The applicant has an open ESG grant from FY2014 or an earlier year.

d. The private nonprofit organization (acting as the applicant or second-tier subrecipient) lacks 501(c)(3) status.

Where eligibility for the grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by noon on March 31, 2016, for the grant to be considered closed out.

The ESG Grant Ceilings are as follows: In order to address needs throughout the State, the Program will use a grant ceiling of $200,000 for applicants that will serve a single jurisdiction. An applicant that will serve multiple localities within a single county is defined as a single jurisdiction. An applicant that will serve multiple counties will have a grant ceiling of $400,000. In the event that all funds are not awarded through the one-time competitive application process, the State may negotiate with applicants to utilize all current year funds. Initiation of negotiations will be done by the State based on (1) demonstrated need; (2) prior performance; and (3) other available resources. Such negotiations may cause the original grant to exceed formerly applicable grant ceilings.

HOPWA: Not applicable.

What are the outcome measures expected as a result of the method of distribution?

CDBG: In general, outcome measures of Alabama's CDBG Program are designed to measure whether or not the authorized funds were expended to address the program's three National Objectives of benefiting low and moderate income persons, addressing slums or blight, or meeting a particularly urgent community development need.

In particular, each activity funded with CDBG funds must address at least one of the three National Objectives of the CDBG program. These objectives are:

1. To benefit low and moderate income persons, of which at least 51% must be from low and moderate income households, except for single family housing activities which must benefit 100% low and moderate income households;
2. Aid in the prevention or elimination of slums and blight; or
3. Meet other urgent community needs posing a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

In addition to meeting at least one of the three National Objectives listed above, activities must meet one of the following three performance goals:

1. Create suitable living environments,
2. Provide decent affordable housing, or
3. Create economic opportunities.

Further, activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services,
2. Improve affordability of housing or other services, and/or
3. Improve sustainability by promoting viable communities.

HOME: For the HOME Program, please see the 2016 HOME Action Plan under "III. ALABAMA'S HOME PROGRAM" for information regarding allocation priorities and how the proposed distribution of funds addresses those priorities described in the Consolidated Plan.

ESG: Outcome measures will be determined by performance indicators. Because the State's ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State chose not to develop performance indicators. The subrecipients will develop performance indicators that best depict program accomplishments for their local areas. Performance indicators specific to geographic areas will be evaluated to determine program outcomes.

HOPWA: For the HOPWA Program, the outcome measures are as follows:

For Rental Assistance: At least 55 households will be assisted so that consumers can remain in affordable, leased housing and experience housing stability.

For Supportive Services: Consumers will be linked to mainstream resources that give them the ability to remain in stable housing and to live independently.

For Operating Costs: All current residents in AIDS Alabama housing will enjoy safe, secure, and healthy stable housing.

For Master Leasing: AIDS Service Organizations other than AIDS Alabama will learn how to maintain and utilize housing in their areas to meet housing gaps.

For Resource Identification: AIDS Alabama staff members and contractors will be equipped to provide identification of low-income housing and housing development options in the State for persons and families living with HIV disease

For Housing Information: HIV-positive individuals in counties throughout the State will know how to find stable and affordable housing resources.

For Technical Assistance: Two consultations related to housing development programming to Selma AIDS Information and Referral and Medical AIDS Outreach of Alabama in Montgomery will help them to have improved goal attainment in their HOPWA contracts. Both programs have the opportunity to become part of their local Continuums of Care and position themselves to develop housing grants for their homeless consumers.

Discussion:

See the discussion contained in the sections herein above.

AP-40 Section 108 Loan Guarantee [see 24 CFR 91.320(k)(1)(ii)]

Will the State of Alabama help non-entitlement units of general local government to apply for Section 108 loan funds?

Yes ____ No __X__

If yes, then describe available grant amounts:

NOTE: The purpose of the Section 108 Loan Guarantee program is to provide communities with an opportunity to seek loan guarantees to finance economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. Guarantees must be approved by the Secretary of HUD. The applicable ceiling is $10 Million per project, with a waiver provision. No more than the HUD-established limit will be committed annually. Eligible applicants are all non-entitlement communities who meet the Thresholds listed earlier in this PY2016 One-Year Annual Action Plan, as well as those Thresholds listed below. For projects with significant economic impact, the State may use the ED Fund, Recaptured Fund, Program Income, or other Funds to grant an appropriate amount toward Section 108 Loan Guarantee payments and for debt retirement.

If yes, then describe how applications will be accepted:

The State of Alabama has adopted the following Section 108 Loan Guarantee Thresholds:

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.
2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.
3. The applicant must have a commitment from the business to create or retain jobs and make private investment as described in the application. In those instances where a business has not yet been identified, the applicant must commit to create a certain number of jobs within a specified amount of time acceptable to the State.
4. Beneficiaries of Section 108 Loan Guarantee projects must be at least 51 percent low and moderate income persons.

The State of Alabama has adopted the following Section 108 Loan Guarantee Evaluation Criteria: Applications for Section 108 Loan Guarantees will be considered on a continual basis, since opportunities for economic development may arise at any time. Section 108 Loan Guarantees will be evaluated in accordance with 24 CFR Part 570, the Section 108 Final Rule, along with consideration being given to the following:

1. Section 108 dollars per permanent job;
2. Actual number of jobs to be created or retained;
3. Potential for spin-off benefits.

AP-45 Community Revitalization Strategies [see 24 CFR 91.320(k)(1)(ii)]

Will the State of Alabama allow units of general local government to carry out community revitalization strategies?

Yes __X__ No ____

Describe the State of Alabama's process and criteria for approving local government's revitalization strategies:

CDBG: Each of Alabama's CDBG-authorized activities, including community revitalization activities, that are described in an eligible community's CDBG grant application, are required to address at least one of the three National Objectives: to benefit low and moderate income persons - of which at least 51% must be from low and moderate income households, aid in the prevention or elimination of slums and blight, or meet other urgent community needs that pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available. In addition, the revitalization activities must meet one of the following three performance goals: create suitable living environments, provide decent affordable housing, or create economic opportunities. The revitalization activities must also demonstrate the ability to achieve or improve one or more of the following outcomes: improve availability or accessibility of units or services, improve affordability of housing or other services, and/or improve sustainability by promoting viable communities.

Because each application is based on the local government's needs analysis, ADECA's CDBG staff will rate the submitted applications based on the Thresholds and the scoring criteria for each Fund Category as described herein above in section AP-30.

HOME: Not applicable.

ESG: Not applicable.

HOPWA: Not applicable.

AP-50 Geographic Distribution [see 24 CFR 91.320(f)]

Description of the geographic areas of the State of Alabama (including areas of low-income and minority concentration) where assistance will be directed:

CDBG: Alabama's CDBG Program funds are authorized to be expended in the non-entitlement areas of Alabama, defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. These geographic areas, including areas of low-income and minority concentration, include counties, large cities (those with a population of 3,001 or more) and small cities (those with a population of 3,000 or less). Other than this non-entitlement area requirement and the State's CDBG Program eligibility requirements for each Fund category, the State cannot specifically direct PY2016 CDBG Program funds to be expended in any particularly-designated area of Alabama. The determinations are based upon the grant applications that are submitted to ADECA each year. The exception to this stance would be that in the event of an emergency situation such as a disaster (for example, a tornado) or an urgent need, the State (the ADECA Director) could direct a portion of its CDBG Program funds to the geographic areas that are affected by that emergency situation or urgent need.

HOME: For the HOME Program, please see the 2016 HOME Action Plan for information regarding geographic distribution and rationale of priorities as it relates to location.

ESG: ESG: The ESG Program may provide assistance to all areas of the state. Geographic areas range from metropolitan to rural. These areas are inhabited by persons of various economic and demographic backgrounds. Various types of need and services exist throughout the state. Because the capacity to provide assistance depends on many factors, especially the subrecipients' ability to provide matching funds, ESG assistance will not be directed to any particular geographic area. The degree of unmet need, availability of local services, capacity to administer the grant, and the ability to provide the matching funds determine which entities apply and therefore receive funding.

HOPWA: The HOPWA Program funds are distributed by AIDS Alabama, which contracts for services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties.

Geographic Distribution:

Target Area:	Percentage of Funds:
CDBG: Alabama's non-entitlement communities	100%
HOME: Alabama Statewide	100%
ESG: Alabama Statewide	100%
HOPWA: Alabama Statewide	100%

Rationale for the priorities for allocating investments geographically:

CDBG: Alabama does not allocate CDBG Program funds geographically. Instead, all of Alabama's non-entitlement areas are eligible to apply for CDBG funds. The non-entitlement areas are defined as those cities and counties that do not include the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Fairhope, Florence, Gadsden, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, and the counties of Jefferson and Mobile. All eligible non-entitlement communities may apply for CDBG funds, and compete for these funds in 6 funding categories: (1) the County Fund, (2) the Large City Fund - for cities with a population of 3,001 or more per the most recent U.S. Census, (3) the Small City Fund - for cities with a population of 3,000 or less per the most recent U.S. Census, (4) the Community Enhancement Fund, (5) the Planning Fund, and (6) the Economic Development Fund. The remaining CDBG funds are set aside for (7) the State's Grant Administration allocation, and (8) the State's Technical Assistance allocation. Additional categories can include funds for Section 108 Loan Guarantees, Recaptured Funds projects, Black Belt Region projects (that encompass the 14 counties of Bullock, Butler, Choctaw, Crenshaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens, Sumter, and Wilcox), Urgent Need projects, and multi-jurisdictions' Joint projects.

HOME: The HOME Program's general allocation priorities are that for the HOME Program, the State will conduct an annual competitive funding cycle for HOME funds. As required by HOME regulations, AHFA, as administrators of the State of Alabama HOME Program, will develop selection criteria to determine housing priorities for the State. The selection criteria includes ranking each project in accordance with its location with an effort to limit awards to one per county annually, fulfillment of housing needs, project and applicant characteristics, and participation of local tax-exempt organizations. AHFA also utilizes an evaluation process whereby preference is given to projects which serve 1) the lowest-income tenants and 2) qualified tenants for the longest periods. Lastly, AHFA develops compliance monitoring procedures to test for compliance with HOME regulations and for notifying HUD of noncompliance. Each year, the HOME Action Plan seeks to ensure that, wherever economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain priorities to be used in the distribution of HOME funds. At this time, AHFA seeks to promote the following housing priorities in the allocation cycles for 2016 and through 2019: (1) Projects that add to the affordable housing stock; (2) Projects, which, without HOME funds, would likely not set aside units for lower income tenants, inclusive of tenants with disabilities and/or those who are homeless; (3) Projects which use additional assistance through federal, state, or local subsidies; and (4) Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

ESG: The ESG Program's general allocation priorities are that the ESG Program may provide funding assistance to all areas of the State of Alabama.

HOPWA: The HOPWA Program's general allocation priorities are that AIDS Alabama administers the five housing programs (rental assistance, emergency shelter, transitional housing and the "Living in Balance Chemical Addiction Program," permanent housing, and service enriched housing) by making them available to all eligible persons throughout the State of Alabama.

Discussion:

See the discussion contained in the sections herein above.

AP-55 Affordable Housing [see 24 CFR 91.320(g)]

Introduction:

See the discussion contained in the sections herein below.

One Year Goals for the Number of Households to be Supported:

Homeless:	600
Non-Homeless:	80
Special Needs:	0
Total:	680

One Year Goals for the Number of Households Supported Through:

Rental Assistance:	300
The Production of New Units:	350
Rehab of Existing Units:	370
Acquisition of Existing Units:	0
Total:	1020

Discussion:

See the discussion contained in the sections herein above.

AP-60 Public Housing [see 24 CFR 91.320(j)]

Introduction:
Not applicable.

Actions planned during the next year to address the needs to public housing:
CDBG: Not applicable.

HOME: Not applicable.

ESG: Not applicable.

HOPWA: Not applicable.

Actions to encourage public housing residents to become more involved in management and participate in homeownership:
CDBG: Not applicable.

HOME: Not applicable.

ESG: Not applicable.

HOPWA: Not applicable.

If the public housing authority (PHA) is designated as troubled, describe the manner in which financial assistance will be provided, or other assistance:
CDBG: Not applicable.

HOME: Not applicable.

ESG: Not applicable.

HOPWA: Not applicable.

Discussion:
Not applicable.

AP-65 Homeless and Other Special Needs Activities [see 24 CFR 91.320(h)]

Introduction:

Each year, the United States Department of Housing and Urban Development (HUD) requires a count of sheltered homeless persons in order to apply for Continuum of Care funding. Counts of the unsheltered homeless persons are required every other year. Continuums of Care organizations are the networking of citizens and organizations concerned with and serving homeless people. 2004 was the first year all sheltered homeless persons were counted in a point-in-time survey. The point-in-time survey is administered on one day/night of January. Alabama has eight Continuums of Care in operation. ARCH (Alabama Rural Coalition for the Homeless) Continuum of Care serves 43 counties: Barbour, Bibb, Blount, Butler, Chambers, Chilton, Choctaw, Clark, Clay, Cleburne, Coffee, Conecuh, Coosa, Covington, Crenshaw, Cullman, Dale, Dallas, Escambia, Fayette, Geneva, Greene, Hale, Henry, Houston, Jackson, Lamar, Lee, Macon, Marengo, Marshall, Monroe, Perry, Pickens, Pike, Randolph, Russell, Sumter, Talladega, Tallapoosa, Walker, Washington, and Wilcox. The other Continuums are as follows:

- HCCNA (Homeless Care Council of Northwest Alabama) – Florence/Lauderdale, Colbert, Franklin, Lawrence, Marion, and Winston Counties
- HCNEA (Homeless Coalition of Northeast Alabama) – Anniston/Calhoun, DeKalb, Cherokee, and Gadsden/Etowah Counties
- HF (Housing First, Inc.) – Mobile/Mobile and Baldwin Counties
- MACH (Mid-Alabama Coalition for the Homeless) – Montgomery/Montgomery, Lowndes, Elmore, Autauga, and Bullock Counties
- NACH (North Alabama Coalition for the Homeless) –
    - Huntsville/Madison, Limestone, and Decatur/Morgan Counties
- OR (One Roof), formerly Metropolitan Birmingham Services for the Homeless (MBSH) – Birmingham/Bessemer/Hoover/Jefferson, St. Clair, and Shelby Counties
- WACH (West Alabama Coalition for the Homeless), formerly CHALENG of Tuscaloosa – Tuscaloosa/Tuscaloosa County.

HUD defines chronic homelessness as "an individual or family with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years." A disabling condition limits an individual's ability to work or perform one or more activities of daily living. The following numbers are from the point-in-time surveys completed in 2015 for the State of Alabama. Across the state of Alabama, 3,970 people were reported homeless. Of them, 1,027 were unsheltered; meaning living on the street, in cars, in abandoned buildings or other places unsuitable for human habitation. The rest were in some form of emergency or transitional shelter. 360 households with at least one adult and one child were located on one day throughout the state. Interviews were conducted with those willing to participate. 607 persons were found to be chronically homeless.

Describe the jurisdiction's one-year goals and actions for reducing and ending homelessness, including:

1. Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs:

CDBG: If and when any CDBG funds are expended to address the needs of homeless persons, then such funds shall be "disaster funds" which are allocated by HUD following the declaration of such eligible "disaster" areas within the State. Any of the State's plans to expend such "disaster funds" would be included in the State's application for those funds that would be submitted to HUD as and when requested; therefore, such plans will not be stated in this AAP.

HOME: Not applicable.

ESG: The point-in-time counts for 2015 showed that there were 1,027 unsheltered homeless persons in Alabama. The State's goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken.

1. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.
2. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.
3. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

HOPWA: As of January 2, 2015, the Alabama Department of Public Health's Demographic Statistics indicated that there are 19,146 HIV-positive individuals living in Alabama. That is up from 18,782 HIV-positive individuals living in Alabama in 2013. Of new cases in 2014, 64.2% were African-American, and of new cases in 2013, 68% were African-American, although they comprise only 26% of the state's population. Of the new cases in 2013, 55% were men who have sex with men. Research indicates that (i) homelessness and unstable housing are associated with increased rates of HIV sex and drug risk behaviors, (ii) unstable housing increases HIV risk behaviors even among those at highest HIV risk, (iii) homelessness and unstable housing are directly related to delayed HIV-related care, poor access to care, and decreased likelihood of treatment adherence, and (iv) the association between lack of stable housing and greater HIV risk behaviors remains even among persons who have received risk reduction services. Homeless men as compared to stably-housed men in the urban South region of the United States were more likely to report sharing needles, more likely to have four or more sex partners, and more likely to have had sex with other men. Homeless African-American women and Hispanic women are two to five times more likely than their housed counterparts to report multiple sex partners in the last six months, in part due to recent victimization by physical violence. Young men who have sex with men who experience residential instability, who have been forced to leave their homes because of their sexuality, and/or who are precariously housed, are at significantly greater risk for drug use and involvement in HIV risk-related behaviors. And homeless youth are more likely to engage in high-risk drug use than youth in housing with some adult supervision, and are as likely to engage in high-risk sex. There have never been more people living in Alabama with HIV disease than today. The needs of this population are critical and not unlike those of other vulnerable populations, as the population's 2009 average income was less than $950 per month, compared to

$1,894 for that year's state per capita median monthly income. Thus, reaching out to this homeless population, assessing their individual needs, and associating them with service providers who can target and address those needs, are all critical parts of the HOPWA Program's focus of addressing the homeless issues with which this population is involved.

Using PY2016 HOPWA funds, AIDS Alabama will assist households with rental and utility payments to prevent homelessness of those living with HIV/AIDS. It will work with local providers to increase capacity to develop and operate HIV-specific housing. Currently, AIDS Alabama contracts with eight other AIDS Service Organizations (ASOs) to provide case management, rental assistance, direct housing, and outreach services statewide.
Consumers will be linked to mainstream resources that give them the ability to remain in stable housing and to live independently. AIDS Alabama will use PY2016 HOPWA funds to support housing programs in the State, which will include supportive services such as transportation, case management, first month's rent and deposit (if available), and housing outreach. AIDS Alabama will provide these services in the Birmingham Metropolitan Area and to the non-Jefferson County areas in its Public Health area. Furthermore, AIDS Alabama contracts for these services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties. AIDS Alabama will also use PY2016 HOPWA funds to serve up to 300 persons statewide in paying for furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State.

To obtain their clientele and coordinate these services, AIDS Alabama fosters collaborations with in-state housing organizations that include the Low Income Housing Coalition of Alabama, Alabama Rural Coalition on Homelessness, Alabama Poverty Project, and others, and this work results in the expansion of affordable housing for low-income, HIV-positive consumers. AIDS Alabama also works with or attends a variety of venues, including health fairs, trade day events, HIV-awareness events, churches, non-traditional medical clinics, community clubs, shelters, substance abuse programs, beauty shops, jails, prisons, schools, and other community service providers statewide to contact clientele so that HIV-positive individuals in counties throughout the State will know how to find stable and affordable housing resources.

2. Addressing the emergency shelter and transitional housing needs of homeless persons:

CDBG: If and when any CDBG funds are expended to address the emergency shelter and transitional housing needs of homeless persons, then such funds shall be "disaster funds" which are allocated by HUD following the declaration of such eligible "disaster" areas within the State. Any of the State's plans to expend such "disaster funds" would be included in the State's application for those funds that would be submitted to HUD as and when requested; therefore, such plans will not be stated in this AAP.

HOME: Not applicable.

ESG: The point-in-time counts for 2015 showed that there were 2,943 homeless persons in emergency shelter and transitional housing in Alabama. The State's goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken:

1. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.
2. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

HOPWA: AIDS Alabama's 2010 needs assessment found that 37% of all HIV-positive households interviewed were in immediate need of some form of housing assistance. Furthermore, the need for transitional housing and permanent supportive housing is apparent, as permanent supportive housing for the chronically homeless is the highest priority of the local Continuum of Care. Additional research conducted in 2013 and issued from AIDS Alabama indicates that unmet needs for emergency shelter included 151 beds for households with at least one adult and one child, 38 units for households with at least one adult and one child, 159 beds for households without children, 27 beds for households with only children, 25 units for households with only children, 337 total year-round beds, 30 total seasonal beds, and 50 overflow beds. The 2013 research also indicates that unmet needs for transitional housing included 215 beds for households with at least one adult and one child, 33 units for households with at least one adult and one child, 525 beds for households without children, 15 beds for households with only children, 15 units for households with only children, and 755 total year-round beds. AIDS Alabama will address the emergency shelter and transitional housing needs of homeless persons by:

1. Providing Rental Assistance: AIDS Alabama will provide a statewide rental assistance program with the purpose of keeping persons stably housed. For emergency shelter, this assistance will consist of Short-Term Rent, Mortgage, and Utility Assistance (STRMU), which assists households facing a housing emergency or crisis that could result in displacement from their current housing or result in homelessness. The recipient must work with a case manager to maintain a housing plan designed to increase self-sufficiency and to avoid homelessness. The objective is to provide 80 households with emergency Short-Term Rent/Mortgage and Utility (STRMU) assistance between April 1, 2016, and March 31, 2017, with the outcome being that at least 55 households will maintain stable housing and avoid homelessness because of temporary emergency situations.

2. Providing Emergency Shelter: One emergency shelter with beds dedicated to HIV/AIDS consumers operates in Alabama. The shelter is managed by the Health Services Center of Anniston. Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State. These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others. AIDS Alabama partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters. Additionally, AIDS Alabama operates one emergency bed, which is located in the Transitional Housing Program. AIDS Alabama is in the process of converting a Transitional Housing Program housed in the Rectory into an emergency shelter based program.

3. Providing Transitional Housing and the Living in Balance Chemical Addiction Program (LIBCAP): The Transitional Housing Program is available to homeless, HIV-positive individuals throughout Alabama. This program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem. LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides

support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.

4. Providing Operating Costs: AIDS Alabama will use HOPWA funds to supplement the operating cost of the permanent and transitional units between April 1, 2016, and March 31, 2017, serving a potential 300 persons statewide. These funds cover furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State.

3. Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again:

CDBG and HOME: For these Programs' funds, the problems of these groups are handled by the Continuum of Care agencies, which is outside of the purview of the State's CDBG Program and HOME Program.

ESG: The State's goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

HOPWA: AIDS Alabama's 2010 needs assessment found that 37% of all HIV-positive households interviewed were in immediate need of some form of housing assistance. AIDS Alabama's 2013 research indicates that unmet needs for permanent supportive housing included 310 beds for households with at least one adult and one child, 34 units for households with at least one adult and one child, 1,322 beds for households without children, 6 beds for households with only children, 6 units for households with only children, and 1,638 total year-round beds. Furthermore, the need for transitional and permanent supportive housing is apparent, as permanent supportive housing for the chronically homeless is the highest priority of the local Continuum of Care. AIDS Alabama will address the homeless persons transitioning to permanent housing needs by:

1. Providing Rental Assistance through the following:

a. AIDS Alabama will provide a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance will consist of providing Tenant-Based Rental Assistance (TBRA): This is ongoing assistance paid to a tenant's landlord to cover the difference between market rents and what the tenant can afford to pay. Tenants find their own units and may continue receiving the rental assistance as long as their income remains below the qualifying income standard and other eligibility criteria are met. However, the tenant must have a long-term housing plan to pursue Section 8 or other permanent mainstream housing options.

b. Transitional Housing and the Living in Balance Chemical Addiction Program (LIBCAP): The Transitional Housing Program is available to homeless, HIV-positive individuals throughout Alabama. This program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem. LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.

c. Permanent Housing: Permanent housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

i. Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS. There are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes.

ii. Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit.

iii. The Mustard Seed triplex offers three one-bedroom units in Birmingham.

iv. Family Places is a Birmingham-based program comprised of five two- and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS. As a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate.

v. Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA. An additional house in Dadeville is also used for the project. ARAP was funded in 1995 by HUD's HOPWA Competitive program and is still being funded. Historically it has been operated through a Master Leasing program, AIDS Alabama requested and received approval to convert to a TBRA based program in 2014.

vi. The Le Project, AIDS Alabama's newest housing program, offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families. While a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits.

2. Providing Operating Costs: AIDS Alabama will use HOPWA funds to supplement the operating cost of the permanent and transitional units between April 1, 2016, and March 31, 2017, serving a potential 300 persons statewide. These funds cover furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State as described in the previous section.

3. Providing Master Leasing: AIDS Alabama will support local efforts to fill housing gaps and to provide housing in which consumers can learn permanent housing management skills. Between April 1, 2016, and March 31, 2017, AIDS Alabama will use HOPWA funds to provide funding for the cost of one Master leases for two-bedroom units to be used for intermediate housing with focus on support services to help consumers move toward permanent housing. This unit will provide the consumer stable housing while the case manager links them to permanent housing options and helps them to avoid homelessness. This is a reduction from previous years, showing success. AIDS Service Organizations other than AIDS Alabama will learn how to

maintain and utilize housing in their areas to meet housing gaps. AIDS Alabama will fund master leasing to AIDS Alabama South in the Mobile area as planned. Currently in development is another master leasing project in the Selma area which will bring Selma AIDS Information and Referral in as a stronger housing partner with AIDS Alabama.

4. Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are being discharged from publicly-funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions), or receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs:

CDBG and HOME: For these Programs' funds, the problems of these groups are handled by the Continuum of Care agencies, which is outside of the purview of the State's CDBG Program and HOME Program.

ESG: The State's goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. In order to accomplish this goal, the ESG subrecipients and second-tier subrecipients will inform those publicly funded institutions of the available housing options in their service area. This information would then be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability. Another one of the State's goals is that ESG subrecipients' and second-tier subrecipients' case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. To accomplish this goal, case managers will work more closely with mainstream service providers and private agencies which address these needs. The case managers will provide this information to their clients and assist them in obtaining other eligible assistance.

HOPWA: AIDS Alabama will provide or make available housing programs to all eligible persons throughout the State as follows:

1. Providing Rental Assistance: AIDS Alabama will provide a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance will consist Project-Based Rental Assistance (PBRA): This offers low-income persons with HIV/AIDS the opportunity to occupy housing units that have been developed and maintained specifically to meet the growing need for low-income units for this population. Also, Master Leasing category offers two units that are leased by AIDS Alabama and sublet to consumers who need low income housing; an additional unit operates in the Mobile area. Selma AIDS Information and Referral (SELMA AIR) is working with the agency to locate and begin another such unit in their area.

Discussion:

See the discussion contained in the sections herein above.

AP-70 HOPWA Goals [see 24 CFR 91.320(k)(4)]

One-year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance payments	55
Tenant-based rental assistance (TBRA)	55
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	80
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	80
Total	270

AP-75 Action Plan Barriers to Affordable Housing [see 24 CFR 91.320(i)]

Introduction:

CDBG: Alabama provides the following outline of barriers to affordable housing. The State has reviewed many locally-produced Analyses of Impediments that were conducted by local governments, and in so doing the State has learned more about what local communities have identified as the most important barriers to affordable housing opportunities at the local level. These are:

1. Land Use Restrictions: Land use regulations have been recognized for sometime as a possible impediment to affordable housing. Landmark cases addressing “exclusionary zoning” were undertaken where suburban cities were cited for in engaging in land use practices that would effectively eliminate the poor, and thereby disproportionately minorities, from their jurisdictions. Thus, the potential for misuse of land use regulations is usually on any list of items to be scrutinized for negative impact on housing affordability or accessibility. Generally, the most important land use regulations are the zoning ordinance and the subdivision regulations. Land use regulations in Alabama can impose additional cost to housing in a variety of ways.

2. Building Codes: Similar to land use regulations, over the years a number of builders and advocates of affordable housing have stated that building and housing codes were housing affordability impediments. The codes are often lumped together with zoning ordinances and other land use regulations and it can be unclear to some as where one begins and the other ends. Governmental building codes are often expressed in terms of rigid specifications that can be difficult or costly to comply with. New or different construction techniques and architectural innovations would be satisfactory in terms of safety, comfort, and other measurable standards but are not in compliance unless they meet strict code specifications. Arbitrary and inconsistent building code enforcement has also been cited as a source of additional expense for builders who can be unduly delayed in their construction and/or forced to undertake costly redesigns. As with the land use regulations, building codes in Alabama are adopted and practiced for the most part in the entitlement communities and much of the rural areas in the state are devoid of building code adoption and enforcement.

3. Absence of Land Use Regulation: The absence of certain land use regulations or codes can be as big a problem for those seeking affordable low cost housing as the existence or misapplication of certain codes and regulations.

4. Credit Environment: With the exception of “bubble” years that occurred in the past, lending institutions have historically been conservative and restrictive in their lending practices. 5. Fair Housing Issues/Discrimination: Some Alabama counties and cities have continued to note that discrimination exists as a barrier to affordable housing, but fortunately there are many signs of progress on this front.

6. The NIMBY Syndrome: The NIMBY barrier can be viewed as a classic “haves versus the have-nots” situation where low and moderate income households suffer due to an instinctive response from established communities and neighborhoods. Neighbors affected by the proposed development often have fears and concerns about their property values, crime, traffic congestion, loss of open space, new neighbors and design compatibility.

7. Land Ownership Patterns: Much of the suitable land for development is owned or controlled by a few owners or developers. In these areas owners can generally dictate the extent of housing activity to be carried out on their land. They can also be more selective in dealings to ensure maximum profitability, usually diminishing or precluding affordable housing opportunities for lower income households.

8. Costs Associated With Accessibility Compliance: Accessible housing units can be more costly to construct and the required renovations to existing structures can be especially costly for older structures.

9. Fire Protection Costs: Due to a lack of fire protection in some rural counties, a homeowner’s insurance rates are much higher than typical urban areas thereby causing an overall increase in the cost of housing, or at least negating the usual lower monthly mortgage cost found in most rural areas.

10. Transportation Costs: The cost of and availability of transportation to work, shopping and services is a factor that most definitely affects housing choice and affordability. Outside of urban areas, there has traditionally been very little readily available public transit in Alabama and that which is accessible has often been irregular in the times and patterns of service. As the population continues to age and as fuel consumption issues become more crucial this will be an issue that will likely impact housing opportunity more and more.

Also, during the research, survey, data collection, and focus group/committee outreach, and public forum participation processes that were conducted during 2014-2015 when the State of Alabama worked on producing its 2014-2015 "Analysis of Impediments to Fair Housing Choice," several factors were identified as impediments considered to be barriers to fair housing and affordable housing in Alabama’s local communities. The research revealed that Alabama’s residents seeking housing in the real estate rental market and/or in the real estate sales/purchasing market can face a myriad of barriers when attempting to obtain and maintain affordable housing. Such barriers include:

1. Their ability to rent apartments/homes due to real or perceived discrimination against them (or a member of their family with whom they are associated) emanating from the housing provider based on the renter’s race, color, religion, gender, disability, familial status, or national origin (discriminatory refusal to rent);

2. Their ability to afford decent and affordable housing in their geographic area – based on their income level, employment status, and/or other economic situations;

3. Their ability to apply for/be qualified for/be approved for a mortgage from a financial lending institution that issues mortgages to qualified home buyers – based on their credit history,

FICO score, and financial obligations, which can then lead to more frequent denials of home purchase loans;

4. Their ability to possess enough funds with which to use for a down payment on a home;

5. Their ability to speak English – even as a second language – to communicate and understand the requirements with which they have to comply in order to obtain and maintain such mortgage and housing;

6. Their ability to obtain financial loans from a non-predatory lender, and/or at an interest rate, wherein they are not put into a predatory lending cycle from which they will find it difficult to escape;

7. Their knowledge and understanding of their rights and obligations under Alabama's Fair Housing laws – the enforcement of which is the responsibility of ADECA (Code of Alabama 1975, as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD;

8. The lack of knowledge on the part of the housing provider to not discriminate against prospective renters or owners in providing housing and information on housing that is available;

9. The ability of the housing provider to make affordable housing available to disabled persons due to the housing provider's failure to make a reasonable accommodation or modification to the property;

10. The insufficient amount of "fair housing testing" and enforcement of the fair housing laws being conducted in Alabama's non-entitlement areas by the State's three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) as a means of detecting fair housing abuses in the rural areas of the State; and

11. The local communities' overall ability/inability to attract business and industry to locate therein which would provide residents with employment opportunities and good-paying jobs so that they could improve their – and the community's – economic situation, with affordable housing being one of the results of such economic improvement.

HOME: See the discussion under CDBG above.

ESG: See the discussion under CDBG above.

HOPWA: See the discussion under CDBG above.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing, such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment:

CDBG: Alabama provides the following outline of strategies designed to address and overcome barriers to affordable housing. The State has reviewed many locally-produced Analyses of Impediments that were conducted by local governments, and in so doing the State has learned more about what local communities have identified as the most important barriers to affordable housing opportunities at the local level. These are:

1. Land Use Restrictions: While in the poor principally rural state like Alabama, land use regulations are unlikely to be adopted and/or enforced, the State's strategy will be to:

● Encourage land use practices that maximize housing affordability and accessibility for low and moderate persons.

● Research the feasibility of establishing zoning and minimum housing standards for Alabama's rural areas.

● Implement intelligent and strategic expansion of the level of infrastructure to serve suitable development, especially that which expands housing opportunity for lower and moderate income persons.

2. Building Codes: Given the opportunity, the State will:

● Modify or improve building codes where appropriate with an emphasis on affordability and energy conservation.

● Encourage the development of new building technologies and methods where feasible.

3. Absence of Land Use Regulation: The State will:

● Promote the development of planned mobile home parks, particularly in rural and small town areas.

● Take actions to remove substandard structures that are eyesores and which deter development in moderate income neighborhoods.

4. Credit Environment: While the lending practices may have been vindicated by the recent housing crisis resulting from loose lending practices, the strategy would be to:

● Ease down payment burden in cases where other credit qualification factors are strong and the down payment appears to be the only difficulty in facilitating the applicant's purchase of a home.

● Encourage Alabama banks to pursue Community Reinvestment Act activities.

● Maintain a certain amount of flexibility and creativity in mortgage lending practices where possible and appropriate.

● Promote in-kind services by lenders.

● Promote lending practices that balance the interest of financial institutions versus those of people seeking affordable housing.

5. Fair Housing Issues/Discrimination: The strategy would be to:

● Continue to monitor – and educate – financial institutions about possible discriminatory practices.

● Promote and legitimize quality education and advocacy efforts whose objectives are to overcome impediments or barriers.

6. The NIMBY Syndrome: The strategy would be to:

● Prevent the proliferation of poorly planned developments that tend to perpetuate stereotypical images of lower income housing.

7. Land Ownership Patterns: The strategy would be to:

● Take measures to impact local land ownership patterns when possible.

● Support local code enforcement programs that put pressure on negligent landlords but also weigh the costs of mandated repairs.

8. Costs Associated With Accessibility Compliance: The strategy would be to:
● Continue present policy and enforcement.
● Monitor changing regulations, realities, and technologies that affect this issue.

9. Fire Protection Costs: The strategy would be to:
● Consider revenue enhancements, when needed to upgrade rural fire protection.
● Consider use of HUD program funds when eligible and feasible to address fire protections needs of rural areas which improve quality of life, safety, health, and help lower housing costs.
● Maintain awareness of potential partner programs that might help the State address the needs of rural areas.

10. Transportation Costs: The strategy would be to:
● The State continually reviews options to use programs to help address transportation costs such as strategic funding of street and road improvements, rural transit systems, and funding of local or regional studies to enhance economical rural transit.
● The state plans to pay particular attention to rural and small town options that allow elderly persons to have a more viable option of remaining in the affordable dwelling they have instead of having to move to managed care housing.

While so many of the priorities that form barriers to affordable housing are essentially local practices, the State will take the steps that it can to encourage and promote this goal. The State will continue to work to upgrade its Fair Housing Law to one that is equivalent to the national law. The State will use its programs (such as the CDBG Enhancement Fund), when possible, to address factors like transportation that often hamper the cause of affordable housing. The State will emphasize that down payment assistance programs are an option under the Community Enhancement Program as well as through the other programs indicated under the preceding Institutional / Financial Constraints section.

Also, the State of Alabama's 2014-2015 "Analysis of Impediments to Fair Housing Choice" suggested several strategies that could be employed by the State of Alabama (meaning ADECA as the recipient of CDBG Program funds) so as to remove or ameliorate the barriers to fair housing and affordable housing. These strategies are as follows:

1. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama – both housing providers and housing consumers – concerning the State’s Fair Housing laws (Code of Alabama 1975, as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD, and their rights and obligations under those State and federal laws, particularly actions that would be in violation of fair housing laws.

2. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama concerning how prospective housing consumers can acquire and maintain good credit – as part of their effort to afford a home purchase or rent for an apartment.

3. The State of Alabama, through ADECA, could conduct outreach and provide education

to the citizens of Alabama concerning the characteristics and attributes of a predatory lending style of loan.

4. The State of Alabama, through ADECA, could identify lenders in Alabama who have disproportionately engaged in predatory-style lending within the State, and then publish the findings so that consumers could more easily obtain this information about these lenders.

5. The State of Alabama, through ADECA, could conduct audit testing to determine the number of properties currently in violation of the fair housing laws, and in particular the disability/accessibility standards concerning housing.

6. The State of Alabama, through ADECA, could contract with the State's three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) or other entities to conduct audit testing and track enforcement activities, particularly in the non-entitlement areas of the State, as a means of detecting fair and affordable housing abuses, determining the extent of existing affordable housing barriers, determining the success of strategies implemented to remove or ameliorate the identified barriers to affordable housing, and determining the extent of enforcement of the fair housing laws within the State.

7. The State of Alabama, through ADECA, could form a task force to devise and oversee methods for positively affecting the identified barriers to affordable housing, and provide reports to ADECA on the task force's activities.

8. ADECA could post on its website (www.adeca.alabama.gov) information on fair housing, affordable housing, and related information concerning how to file a complaint under the State's fair housing laws.

9. The State of Alabama, through ADECA, could work in tandem with other State agencies, local governments, and prospective business and industry when recruiting economic development at the local level so that all parties involved would be aware of affordable housing news and issues in those locations.

HOME: See the discussion under CDBG above. Also, For the HOME Program, please see the 2016 HOME Action Plan under *III. B. Establishment of Housing Priorities* for information regarding actions to remove barriers.

ESG: See the discussion under CDBG above.

HOPWA: See the discussion under CDBG above.

Discussion:

See the discussion contained in the sections herein above.

AP-85 Other Actions [see 24 CFR 91.320(j)]

Introduction:

See the discussion contained in the sections herein below.

Actions planned to address obstacles to meeting underserved needs:

CDBG: At the CDBG Program level, Alabama plans to continue maintaining its eligibility to apply for and receive/be awarded federal CDBG Program funds that are annually made available from HUD. Alabama achieves this by employing ADECA staff who maintain the State's compliance with HUD's CDBG Program requirements pursuant to the laws, rules, regulations, and policy letters governing same. Alabama will continue to encourage its non-entitlement communities to maintain their eligibility to apply for and receive CDBG Program funds by providing training and technical assistance to those communities on grant program eligibility, application, and compliance requirements, financial (accounting and audit) responsibilities, and all other aspects regarding the operation of the CDBG Program at the local level.

At the local level, Alabama will work toward providing information on compliance with federal and state fair housing laws through education and outreach to housing providers and housing consumers throughout the State. Alabama will work toward providing, or contracting for the provision of, outreach and education to residents in local communities on topics that include acquiring and keeping good credit, mortgage lending practices – including predatory lending-style loans, fair housing laws (particularly those pertaining to discriminatory terms and refusal to rent aspects and other conditions, privileges, or facilities relating to rental housing), and disability access laws (particularly those pertaining to rental housing with respect to discrimination, and facilities' reasonable accommodations and modifications). Alabama will continue to make available to the public the State of Alabama's "Analysis of Impediments to Fair Housing Choice" by posting this document on the ADECA website (www.adeca.alabama.gov). Alabama will continue to accumulate information and statistical data on housing trends from surveys and from the Census and the American Community Survey websites so as to keep current with how the "Analysis of Impediments to Fair Housing Choice" is having a housing impact through citizens' responses due to the outreach and education activities described herein. Alabama will continue to correspond with and attempt to work with each of the three fair housing centers in the State (the Fair Housing Center of Northern Alabama located in Birmingham, the Central Alabama Fair Housing Center located in Montgomery, and the Mobile Fair Housing Center located in Mobile) and other active local fair housing entities (such as those who work with the Hispanic population and the Asian population, and those who work with special needs populations including the disabled and the elderly residents) so that they are actively engaged in providing education and outreach to their targeted populations within these localities, and so that they are periodically providing to ADECA information on the outcomes and impacts that their outreach activities are experiencing. Alabama will continue to observe the month of April as Fair Housing Month within the State by obtaining a proclamation from the Governor's Office declaring same, distributing fair housing posters to housing providers and interested consumers throughout the State, and by focusing education efforts and outreach activities designed specifically to highlight Fair Housing Month.

Alabama can consider forming a "Fair Housing Commission" that would serve in an advisory capacity to discuss and broadly analyze the fair housing issues facing Alabama's citizens, provide input on developing necessary program and grant-related documents, and make recommendations for policy and legislative initiatives to the Governor, Legislature, and ADECA Director.

HOME: AHFA will implement its actions as they are stated in the 2016 HOME Action Plan.

ESG: Actions taken at various levels address some of the obstacles to meeting underserved needs. Job loss and unemployment are identified as obstacles. The lack of affordable healthcare is also identified as an obstacle to meeting underserved needs. However, the state has benefitted from job creation. With the increase in employment, more citizens are better able to afford healthcare. With the passage of the Affordable Care Act, residents are offered better access, options, and values in their search for health care.

HOPWA: AIDS Alabama will implement its actions as they are stated in the PY2016 HOPWA One-Year Annual Action Plan stated in sections AP-15 through AP-35 herein above.

Actions planned to foster and maintain affordable housing:

CDBG: The State of Alabama's "Analysis of Impediments to Fair Housing Choice" was conducted from August 2014 through February 2015. During the research, survey, data collection, and focus group/committee outreach, and public forum participation processes that were conducted during 2014-2015 when the State of Alabama worked on producing its 2014-2015 "Analysis of Impediments to Fair Housing Choice," several factors were identified as impediments considered to be barriers to fair housing and affordable housing in Alabama's local communities. The research revealed that Alabama's residents seeking housing in the real estate rental market and/or in the real estate sales/purchasing market can face a myriad of barriers when attempting to obtain and maintain affordable housing. Such barriers include:

1. Their ability to rent apartments/homes due to real or perceived discrimination against them (or a member of their family with whom they are associated) emanating from the housing provider based on the renter's race, color, religion, gender, disability, familial status, or national origin (discriminatory refusal to rent);
2. Their ability to afford decent and affordable housing in their geographic area – based on their income level, employment status, and/or other economic situations;
3. Their ability to apply for/be qualified for/be approved for a mortgage from a financial lending institution that issues mortgages to qualified home buyers – based on their credit history, FICO score, and financial obligations, which can then lead to more frequent denials of home purchase loans;
4. Their ability to possess enough funds with which to use for a down payment on a home;
5. Their ability to speak English – even as a second language – to communicate and understand the requirements with which they have to comply in order to obtain and maintain such mortgage and housing;
6. Their ability to obtain financial loans from a non-predatory lender, and/or at an interest rate, wherein they are not put into a predatory lending cycle from which they will find it difficult to escape;
7. Their knowledge and understanding of their rights and obligations under Alabama's Fair Housing laws – the enforcement of which is the responsibility of ADECA (Code of Alabama 1975,

as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD;

8. The lack of knowledge on the part of the housing provider to not discriminate against prospective renters or owners in providing housing and information on housing that is available;

9. The ability of the housing provider to make affordable housing available to disabled persons due to the housing provider's failure to make a reasonable accommodation or modification to the property;

10. The insufficient amount of "fair housing testing" and enforcement of the fair housing laws being conducted in Alabama's non-entitlement areas by the State's three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) as a means of detecting fair housing abuses in the rural areas of the State; and

11. The local communities' overall ability/inability to attract business and industry to locate therein which would provide residents with employment opportunities and good-paying jobs so that they could improve their – and the community's – economic situation, with affordable housing being one of the results of such economic improvement.

The State of Alabama's 2014-2015 "Analysis of Impediments to Fair Housing Choice" also suggested several strategies that could be employed by the State of Alabama (meaning ADECA as the recipient of CDBG Program funds) so as to remove or ameliorate the barriers to fair housing and affordable housing. These strategies are as follows:

1. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama – both housing providers and housing consumers – concerning the State's Fair Housing laws (Code of Alabama 1975, as amended, at §24-8-1 through §24-8-15), and the federal Fair Housing Act of 1968 that is administered by HUD, and their rights and obligations under those State and federal laws, particularly actions that would be in violation of fair housing laws.

2. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama concerning how prospective housing consumers can acquire and maintain good credit – as part of their effort to afford a home purchase or rent for an apartment.

3. The State of Alabama, through ADECA, could conduct outreach and provide education to the citizens of Alabama concerning the characteristics and attributes of a predatory lending style of loan.

4. The State of Alabama, through ADECA, could identify lenders in Alabama who have disproportionately engaged in predatory-style lending within the State, and then publish the findings so that consumers could more easily obtain this information about these lenders.

5. The State of Alabama, through ADECA, could conduct audit testing to determine the number of properties currently in violation of the fair housing laws, and in particular the disability/accessibility standards concerning housing.

6. The State of Alabama, through ADECA, could contract with the State's three Fair Housing Initiative Program providers (the Fair Housing Center of Northern Alabama in Birmingham, the Central Alabama Fair Housing Center in Montgomery, and the Mobile Fair Housing Center, Inc. in Mobile) or other entities to conduct audit testing and track enforcement activities, particularly in the non-entitlement areas of the State, as a means of detecting fair and affordable housing abuses, determining the extent of existing affordable housing barriers, determining the success of strategies implemented to remove or ameliorate the identified barriers

to affordable housing, and determining the extent of enforcement of the fair housing laws within the State.

7. The State of Alabama, through ADECA, could form a task force to devise and oversee methods for positively affecting the identified barriers to affordable housing, and provide reports to ADECA on the task force's activities.

8. ADECA could post on its website (www.adeca.alabama.gov) information on fair housing, affordable housing, and related information concerning how to file a complaint under the State's fair housing laws.

9. The State of Alabama, through ADECA, could work in tandem with other State agencies, local governments, and prospective business and industry when recruiting economic development at the local level so that all parties involved would be aware of affordable housing news and issues in those locations.

ADECA will consider expending PY2016 CDBG Program funds to assist with implementing some or all of these suggested actions during PY2016.

HOME: AHFA will implement its actions as they are stated in the 2016 HOME Action Plan.

ESG: Not applicable. See the response for **CDBG** herein above.

HOPWA: See the response for **CDBG** herein above. AIDS Alabama will also implement its actions as they are stated in the PY2016 HOPWA One-Year Annual Action Plan stated in sections AP-15 through AP-35 herein above.

Actions planned to reduce lead-based paint hazards:

CDBG: About half of the housing units in Alabama were built during or after 1980, and the other half were built prior to 1980. Given the prevalence of lead based paint in older homes (those built prior to 1978), there exist large numbers of potentially hazardous dwellings across Alabama, particularly if children are present. It has been estimated that approximately 745,000 to 911,000 of all housing units in Alabama, or from 38% to 46%, pose a lead-based paint hazard. An estimated 308,000 of the housing units with a potential lead-based paint hazard are occupied by extremely low-, low-, and moderate-income householders. Housing units occupied by those with less than 80% percent of the median family income where lead paint may be present are concentrated in the State's most populous metropolitan counties. For the extremely low-income category, 30.5% of all dwellings estimated to contain lead-based paint were located in just two counties: Jefferson and Mobile. Likewise, in the low-income category, Jefferson and Mobile counties total 28.2% of the estimated housing units containing lead. Jefferson, Mobile, Madison, and Montgomery counties dominate in the moderate income group, comprising 40% of the State's total.

Currently, Alabama's CDBG program is the program most likely to be used for a project involving lead-based paint hazards. The State encourages all persons engaged in CDBG-funded housing rehabilitation projects to presume lead is present if the house were constructed prior to 1979; therefore, no risk assessment or prior testing is required. The CDBG program has issued recommendations, rather than requirements, in order to maintain program flexibility. Alabama's CDBG program lead-based paint hazard recommendations are summarized below:

1. Prepare local housing rehabilitation policies and implement lead abatement requirements

for units for which rehabilitation costs exceed $25,000.

2. Unless otherwise specified in an approved application, the local housing rehabilitation policies should specify that the standard treatment option per 24 CFR Part 35 et. al., will be used.

3. Have the housing rehabilitation inspector and a representative for all potential contractors take the University of Alabama course entitled "Lead Safe Work Practices for Renovators and Remodelers." If the housing rehabilitation inspector will serve as a Lead Sampling Technician, then the inspector should take the University of Alabama course (or an equivalent course which has been approved by DHUD) entitled "Lead Sampling Technician Course".

4. Determine if *de minims* levels are involved. If so, then safe work practices are not required, and clearance testing is not required.

5. Provide the proper notices to occupants.

6. Determine what work (involving standard treatments and basic rehabilitation that will not impact painted surfaces) will need to be done and identify a plan to work room-by-room with the occupants. Outside construction work will need to be performed prior to any soil treatments. Treatment of any potentially contaminated soils will need to be done with either impermeable surface coverings or land use controls.

7. Avoid relocation of occupants, if at all possible, because of budgetary constraints. Sealing the work area and use of a 10 foot containment area will likely be sufficient as long as access to the bath, kitchen and adequate sleeping areas are provided after work is completed on a daily basis. Note that the project will have to be completed within five days.

8. Perform clearance examination per procedures and use appropriate procurement practices to identify a qualified Accredited Inspector or Risk Assessor as per accreditation provided by Safe State. It should be noted that Safe State maintains a list of qualified firms that can provide these services.

9. Additionally, typical procedures and housing standards, per the adopted rehabilitation policies, should be followed. Many of the standard treatments prescribed by 24 CFR Part 35 are already being used because they are necessary to correct code violations and to create safe and sanitary living spaces.

The overall goal of the recommendations listed above is to reduce lead-based paint hazards in CDBG-funded housing rehabilitation projects over the next five years. The strategy has been broken into four parts listed below:

1. Coordinate state and local jurisdictions with public and private efforts to address and rectify the problem of reducing lead-based paint hazards and protecting young children from lead poisoning.

2. Integrate lead hazard evaluation and reduction activities into existing housing programs.

3. Develop technical capacity to ensure that the technical aspects of assessment and lead hazard reduction are managed properly.

4. Increase knowledge of lead safe practices among parents, property owners, and renovators of CDBG rehabilitated homes.

HOME: Not applicable.

ESG: Not applicable.

HOPWA: Not applicable.

Actions planned to reduce the number of poverty-level families:

CDBG: Not applicable. For this Program's funds, the problems of these groups are handled by the Continuum of Care agencies, which is outside of the purview of the State's CDBG Program.

However, according to the Alabama Department of Labor, the estimated unemployment rate for the State of Alabama in December 2014 was 5.7 percent. This rate is down from the State's November 2012 unemployment rate of 6.7 percent, and down from the State's 2000 estimate of 6.4 percent. The U.S. unemployment rate as of December 2014 was 5.6%. This rate is down from the U.S. unemployment rate of 7.4 percent in November 2012, but both rates are up from the U.S. unemployment rate of 5.3 percent in 2000. According to the American Community Survey data, the 2010-2011 estimate for the percentage of Alabamians living below the poverty level is 19 percent. This is up from the 2009 estimate of 17.5 percent. In 2005, the estimate was 17 percent. The estimate for the nation as a whole for 2011 was 15.9 percent, for 2010 it was 15.3 percent, and for 2009 it was 14.3 percent. All of these rates are up from 13.3 percent in 2005. Because poverty is affected by so many factors, particularly the economy, it is impossible to predict what the poverty rate will be from year to year. Furthermore, the State of Alabama continues to experience a shift in its economic base. The State has successfully created thousands of new jobs through an aggressive economic development program. At the same time however, the State has been losing textile and other manufacturing jobs at a disturbing rate.

Consequently, the State's current goals regarding poverty are to maintain the status quo by striving to keep the unemployment rate within two percentage points of the national unemployment rate, and striving to keep the percentage of the population living below poverty level within five percent of the national average. The State's primary tool in achieving this goal is its aggressive economic development strategy. Of this Plan's programs described herein above, the CDBG program is the one most directly utilized for economic development purposes. Certainly, the quality of life for people living below the poverty level is improved by the other programs. Additionally, large construction projects generated by these programs contribute jobs to the State's economy.

The following is a summary of Alabama's anti-poverty strategy for 2016:

1. Continue to fund CDBG economic development projects that create large numbers of jobs and have the potential for spin-off jobs.

2. Continue to provide affordable housing by rehabilitating the existing housing stock through the CDBG program and building new affordable homes with HOME program funds.

3. Design and implement more affordable housing programs.

4. Through the CDBG, HOME, ESG, and HOPWA programs, continue to provide funding to programs that improve the quality of life of those living below the poverty level.

5. When and where possible, fund projects which address a multitude of problems and which utilize more than one source of funding.

6. Continue to collaborate with USDA, ARC, DRA, EDA, and EPA to efficiently fund projects that have the potential to positively affect the poverty level and improve the quality of life of those living below the poverty level.

7. Foster collaboration with poverty programs that are funded through the Alabama Department of Human Resources (such as its Child Support Enforcement Program, the Job Opportunities and Basic Skills Training/JOBS Program, etc.) and Community Service Block Grants (community action agencies).

8. Continue to utilize CDBG funds for programs that provide enhanced educational and social opportunities.

HOME: Not applicable. For this Program's funds, the problems of these groups are handled by the Continuum of Care agencies, which is outside of the purview of the State's HOME Program.

ESG: It can be presumed that homelessness may negatively impact employment levels or a person's employability. The inability to obtain and maintain gainful employment may eventually lead to increased numbers of families living at or below the poverty-level. Provision of housing through the ESG Program provides stability to a formerly homeless individual or family. With the basic need of shelter met, families can focus on obtaining or maintaining employment or better employment. Outreach workers will identify and engage unsheltered homeless persons and link them with mainstream resources for which they may be eligible. Case managers will assist sheltered homeless persons gain or maintain employment or better employment. Increased finances within the family unit will serve to move the family above the poverty level.

HOPWA: Not applicable.

Actions planned to develop institutional structure:

CDBG: The CDBG Program is operated within the organizational structure of the Alabama Department of Economic and Community Affairs (ADECA) and its Community and Economic Development Division, which is located in Montgomery, Alabama.

HOME: The HOME Program is operated within the organizational structure of the Alabama Housing Finance Authority (AHFA), which is located in Montgomery, Alabama.

ESG: The CDBG Program is operated within the organizational structure of the Alabama Department of Economic and Community Affairs (ADECA) and its Community and Economic Development Division, which is located in Montgomery, Alabama.

HOPWA: The HOPWA Program is operated within the organizational structure of AIDS Alabama, which is located in Birmingham, Alabama.

Actions planned to enhance coordination between public and private housing and social service agencies:

CDBG: For the CDBG Program, the Alabama Department of Economic and Community Affairs (ADECA) and its Community and Economic Development Division utilize the ADECA Citizens Participation Plan to foster communication and enhance coordination between itself and interested parties, to include public and private housing and social service agencies. ADECA also uploads onto its website (www.adeca.alabama.gov) the 2015-2019 Five-Year Consolidated Plan and the PY2016 One-Year Annual Action Plan.

HOME: For the HOME Program, the Alabama Housing Finance Authority (AHFA) utilizes the AHFA's Citizens Participation Plan to foster communication and enhance coordination between itself and interested parties, to include public and private housing and social service agencies. ADECA also uploads onto its website (www.adeca.alabama.gov) the 2015-2019 Five-Year Consolidated Plan and the PY2016 One-Year Annual Action Plan.

ESG: For the ESG Program, the Alabama Department of Economic and Community Affairs (ADECA) and its Community and Economic Development Division utilize the ADECA Citizens Participation Plan to foster communication and enhance coordination between itself and interested parties, to include public and private housing and social service agencies. ADECA also uploads onto its website (www.adeca.alabama.gov) the 2015-2019 Five-Year Consolidated Plan and the PY2016 One-Year Annual Action Plan.

Also, case managers seek to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible. Case managers will refer program participants to mainstream housing, health, mental health, education, employment, food and meal assistance, and youth programs.

HOPWA: For the HOPWA Program, AIDS Alabama utilizes its/the ADECA Citizens Participation Plan to foster communication and enhance coordination between itself and interested parties, to include public and private housing and social service agencies. ADECA also uploads onto its website (www.adeca.alabama.gov) the 2015-2019 Five-Year Consolidated Plan and the PY2016 One-Year Annual Action Plan.

Also, using PY2016 HOPWA funds, AIDS Alabama will work with local providers to increase capacity to develop and operate HIV-specific housing. Currently, AIDS Alabama contracts with eight other AIDS Service Organizations (ASOs) to provide case management, rental assistance, direct housing, and outreach services statewide. Consumers will be linked to mainstream resources that give them the ability to remain in stable housing and to live independently. AIDS Alabama will use PY2016 HOPWA funds to support housing programs in the State, which will include supportive services such as transportation, case management, first month's rent and deposit (if available), and housing outreach. AIDS Alabama will provide these services in the Birmingham Metropolitan Area and to the non-Jefferson County areas in its Public Health area. Furthermore, AIDS Alabama contracts for these services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties. AIDS Alabama will also use PY2016 HOPWA funds to serve up to 300 persons statewide in paying for furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State.

To obtain their clientele and coordinate these services, AIDS Alabama fosters collaborations with in-state housing organizations that include the Low Income Housing Coalition of Alabama, Alabama Rural Coalition on Homelessness, Alabama Poverty Project, and others, and this work results in the expansion of affordable housing for low-income, HIV-positive consumers. AIDS Alabama also works with or attends a variety of venues, including health fairs, trade day events, HIV-awareness events, churches, non-traditional medical clinics, community clubs, shelters, substance abuse programs, beauty shops, jails, prisons, schools, and other community service providers statewide to contact clientele so that HIV-positive individuals in counties throughout the State will know how to find stable and affordable housing resources.

Discussion:

See the discussion contained in the sections herein above.

AP-90 Program Specific Requirements [see 24 CFR 91.320(k)(1), (2), and (3)]

Introduction:

From the 2016 HOME Action Plan at *part III. F. Uses of HOME Funds*, "HOME funds will be allocated primarily toward the production of residential rental housing for low-income households and for other uses deemed necessary by AHFA, as long as the use is consistent with the Consolidated Plan."

1. Community Development Block Grant (CDBG)
Reference 24 CFR 91.320(k)(1)

CDBG: Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out:

1	**The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed:**	$165,000
2	**The amount of proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan:**	$0
3	**The amount of surplus funds from urban renewal settlements:**	$0
4	**The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan:**	$0
5	**The amount of income from float-funded activities:**	$0
6	**Total Program Income:**	$165,000

Other CDBG Requirements:

1	**The amount of urgent need activities:**	1
2	**The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income:**	80.00%

Overall Benefit: A consecutive period of one, two, or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan:

The years covered that include this Annual Action Plan:	PY2016 (April 1, 2016-March 31, 2017)

2. HOME Investment Partnerships Program (HOME)
Reference 24 CFR 91.320(k)(2)

[The jurisdiction must describe activities planned with HOME funds expected to be available during the year. All such activities should be included in the Projects screen. In addition, the following information should be supplied.]

HOME: From the 2016 HOME Action Plan at *part III. F. Uses of HOME Funds*, "HOME funds will be allocated primarily toward the production of residential rental housing for low-income households and for other uses deemed necessary by AHFA, as long as the use is consistent with the Consolidated Plan."

1. A description of other forms of investment being used beyond those identified in 24 CFR 92.205 is as follows:

Not applicable.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 24 CFR 92.254 is as follows:

Not applicable.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds [see 24 CFR 92.254(a)(4)] is as follows:

Not applicable.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b) are as follows:

Not applicable.

3. Emergency Solutions Grant (ESG)
Reference 24 CFR 91.320(k)(3)

1. Include written standards for providing ESG assistance (this may be included as an attachment):

ESG: Because the needs of program participants and their access to available assistance vary across the State, the State will require its subrecipients to establish and implement their own written program standards. Program standards must not be designed to discriminate against any program participant. Program standards must be applied consistently to every program participant. At a minimum, program standards must include the following:

1. Policies and procedures for evaluating individuals' and families' eligibility for ESG assistance.

2. Policies and procedures for coordination among homelessness prevention and rapid re-housing assistance providers, emergency shelter providers, essential service providers, other homeless assistance providers, and mainstream service and housing providers.
3. Policies and procedures for determining and prioritizing which eligible individuals and families will receive homelessness prevention assistance and which eligible individuals and families will receive rapid re-housing assistance.
4. Standards for determining the length of time a particular program participant will be provided with rental assistance and if and how the amount of that assistance will be adjusted over time.
5. Standards for determining the share of rent and utilities' costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.
6. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant. Include the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).
7. Standards for targeting and providing essential services related to street outreach activities. Include the limits, if any, on the street outreach assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).
8. Policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest.
9. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.
10. Procedures to guarantee that reasonable steps are taken to ensure meaningful access to program activities for persons of limited English proficiency.
11. Standards for terminating assistance. Include requirements of a formal process to terminate assistance. At a minimum, the process should contain:
    - A written notice to the participant stating the reason for termination of assistance.
    - A review of the decision, where the participant is given the opportunity to present written or oral objections.
    - Prompt written notice of the final decision to the participant.

2. If the Continuum of Care has established a centralized or coordinated assessment system that meets HUD requirements, then describe that centralized or coordinated assessment system:

ESG: The continuums of care are in various stages of developing a centralized or coordinated assessment system for their respective service areas. Housing First, the continuum of care serving Mobile City and County and Baldwin County, has begun utilizing its coordinated assessment system. Once the other assessment systems are developed, each ESG-funded program will utilize the system implemented by its local continuum.

3. Identify the process for making sub-awards, and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations) will be allocated:

ESG: The application submission date for ESG funds will be announced during the ESG Application Workshop or through another widely distributed notification process. Applicants are limited to local units of government and private nonprofit organizations. Funds will be awarded competitively based on the factors reviewed below. The State may exercise discretion to fund requests fully or partially, if so warranted, to maximize impact on the State's homeless and other ESG-eligible clientele. The State may conduct site visits to potential subrecipients. The site visits may influence funding decisions.

A. Identification of Homeless Assistance Needs: 20 Points

Applicants will identify the homeless assistance needs they propose to address for their service area including the needs of other eligible clientele such as victims of domestic violence. Applicants should specifically address the needs of the unsheltered homeless persons in their service area. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families actually served during the last calendar year.

B. Applicant's Strategy to Address Homeless Problems: 25 Points

Applicants will describe their strategy for addressing homeless problems. They will provide specific data quantifying the types of assistance or services provided to homeless individuals and families or those persons at risk of homelessness during the last calendar year**.** Applicants will estimate the number of participants they propose to assist in relation to the types of assistance to be provided. They should explain their strategy for targeting funds to the neediest persons, or to the geographic or functional areas where funds may have the greatest impact.

C. Capacity and Coordination: 20 Points

Applicants will describe their management capacity, especially that of all second-tier subrecipients, if any. Provide specific details relating to direct or related experience with service provision to homeless individuals and families or those at-risk of homelessness. Applicants will provide their plan to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible.

D. Participation in a Continuum of Care: 15 Points

The applicant will demonstrate a thorough understanding of the "continuum of care" concept and explain how the services provided by it or its second-tier subrecipients are in line with this concept. This will include information concerning membership in an existing Continuum of Care Homeless Coalition. Explain the levels of participation for the applicant and that of the second-tier subrecipients regarding continuum initiatives, activities, and programs. Provide details regarding the strategies of the particular continuum for serving the homeless.

E. Match: 10 Points

Points will be given based on the clarity of proposed match. Match (in-kind or cash) must be explained as to how its use relates to the activities allowed under the McKinney Homeless Assistance Act, as amended. Match must be verified to include resolutions and letters detailing sources of funds. If match comes from the city or the county, then the source of funds (general fund) must be identified. Letters from banks, organizations, or donors specifying donated items will be needed. Volunteer hours and fundraising efforts will need to be discussed in enough detail to establish validity. The service area or activities for which volunteer hours will be used must be clearly indicated.

F. Budget: 10 Points

The budget narrative must consist of a thorough explanation of activities involved with the request. Each budget category (Administration, Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-Housing, and HMIS) must give a detailed description of costs. The applicant's budget must be the aggregate of the second-tier subrecipients' budgets. In addition to the budget forms, each agency for which funds are requested should submit its annual budget that shows the source and amount of other funds received.

TOTAL POINTS AVAILABLE: 100 Points

If necessary, the State may request additional information to assist with reviews. State subrecipients will be required to ensure that program information is available in the appropriate languages for the geographic areas to be served with ESG funds.

Tie Breaker: In the event of tied scores where funding is not available to all applicants, the Director will exercise discretion in funding requests with the most impact. The Director may also exercise discretion in adjusting funding awards to serve needs in a greater number of communities without significantly reducing the effectiveness of proposed programs.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), then the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG:

ESG: Not applicable. The jurisdiction is able to meet the homeless participation requirement in 24 CFR 576.405(a) because the recipient is a State.

5. Describe performance standards for evaluating ESG:

ESG: ADECA strives to work in partnership with its subrecipients to ensure successful program implementation. Monitoring visits are considered an opportunity to review the subrecipients' administration of their grants and review efforts to maintain compliance with program regulations. Monitoring visits also allow staff to provide on-site assistance to subrecipients carrying out their program responsibilities. Monitoring serves as one aspect of several coordination and compliance strategies which result in an on-going review of program progress. These strategies include frequent communication through telephone and e-mail contact, written correspondence, and technical assistance meetings as well as reviews of payment requests, and additional documentation or reports which may be voluntarily submitted or requested by ADECA. For ESG Program purposes, ADECA's monitoring approach will generally follow the strategy outlined in the State's Grantee Monitoring Plan. The Plan states "for other programs, appropriate tracking systems are developed/modified and utilized to ensure that the project is monitored at least once." ADECA staff will monitor each ESG grant on-site at least once prior to project close-out. Topics reviewed for compliance include adherence to the program's national objective and eligibility requirements, progress and timeliness, citizen participation, environmental standards, shelter standards, housing habitability standards, rent reasonableness, affirmative outreach, fair housing, equal employment opportunity, procurement, and financial management. After each monitoring visit, written correspondence is sent by ADECA to the subrecipient describing the results of the monitoring review in sufficient detail to clearly describe the areas that were covered and the basis for the conclusions. Monitoring determinations range from "acceptable" to "finding" with appropriate corrective action measures imposed. Corrective action measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, or reimbursement of grant funds as disallowed costs. If the subrecipient has not responded to ADECA within 30 days after the date of ADECA's letter, ADECA staff will work with the subrecipient through phone calls, e-mails, or written correspondence to obtain the requested information. No grant can be closed until all monitoring findings have been satisfactorily resolved. ADECA maintains an "HESG Projects Schedule" spreadsheet that is used as a tracking system to ensure each ESG grant is monitored at least once prior to close-out. Monitoring visits will be scheduled at the time when at least 40 percent of the funds have been drawn down on the grant project. This spreadsheet is also used to track monitoring findings, receipt of the requested responses, and the date of project closeout. ADECA may schedule additional monitoring visits as might be necessitated by problems identified in the original monitoring visit or when grant conditions demonstrate a need for additional ADECA review. ADECA may also incorporate additional monitoring and review techniques not listed here in order to ensure program compliance.

Discussion:

See the discussion contained in the sections herein above.

ATTACHMENTS:

Attachment 1: CDBG Program PY2016 One-Year Annual Action Plan
Attachment 2: ESG Program PY2016 One-Year Annual Action Plan
Attachment 3: HOPWA Program PY2016 One-Year Annual Action Plan
Attachment 4: HOME Program - 2016 Housing Credit Qualified Allocation Plan and
Attachment 5: HOME Action Plan Summary of Public Comments and AHFA Responses

ATTACHMENT 1

STATE OF ALABAMA
PROPOSED PY2016 CDBG ACTION PLAN

The following policies will govern Alabama's CDBG program:

1. Let applicants compete fairly for funds to address essential community facility needs.
2. Let communities compete equally for their varying community development needs.
3. Ensure that communities in the State can compete for funds on an equitable basis.
4. Allow for equitable competition by allowing, where feasible, small cities, large cities, and counties to compete in their respective categories.
5. Facilitate funding of important economic development projects in a timely manner.
6. Encourage communities to plan for community conservation and development.
7. Give additional consideration to those communities who commit to do the most to help themselves, taking into account their level of resources.
8. Give consideration to the community's ability to maintain CDBG improvements.
9. Make funding decisions, to the extent feasible, that aid local and regional plans.
10. Ensure that all grants are managed in a timely and effective manner.

PY2016 CDBG Fund Allocation

Total Allocated to Alabama	**$21,904,212**
County Fund	2,750,000
Large City Fund	5,000,000
Small City Fund	5,772,086
Economic Development Fund	4,500,000
Planning Fund	125,000
Community Enhancement Fund	3,000,000
State Administration	538,084
State Technical Assistance	219,042

NOTES:

1. For valid reasons, the ADECA Director may modify or altogether eliminate allocations in order to maintain program integrity.

2. Balances in any Fund will be used to either fund the Black Belt Region Projects or transfer to any other Fund at the discretion of the ADECA Director. Such transfers will not count towards the five percent (5%) threshold established in the State’s Citizen Participation Plan.

3. Balances in the State’s Technical Assistance Fund and the State’s Administration Fund for any year may be transferred to the Recaptured Fund at the discretion of the ADECA Director. Such transfers will not count towards the five percent (5%) threshold established in the State’s Citizen Participation Plan. Also, the State Technical Assistance Fund may be used for State Administration.

4. All recaptured funds (other than Program Income as defined by regulations) will be placed in the Recaptured Fund. Any funds awarded via a Governor's/ADECA Director's award letter which are rescinded due to a grantee's failure to satisfy a condition in the State's Letter of Conditional Commitment, or a grantee's inability to implement the project as approved, may be considered Recaptured Funds if a significant amount of time has lapsed. Likewise, any funds returned by grantees due to cost under-run will be considered Recaptured Funds. This does not include funds returned as the result of an ED Float Loan; please see the section on ED Float Loans for a description of how the return of those funds will be managed. Persons interested in the amount of Recaptured Fund money available may inquire to ADECA in writing for this information.

5. Approximately $165,000 in Program Income is expected to be available during the course of this program year (PY2016). The exact amount will depend on the rate of pay-off, defaults, and early settlements, but the money will generally be used to fund economic development projects. Persons interested in the amount of ED Funds and Program Income available may inquire to ADECA in writing for this information. If the State's Letter of Credit is used by HUD to make payments on Section 108 Loan Guarantees, then the State will utilize Program Income, Recaptured Funds, and other available Funds to ensure that all commitments from the State are met. Recaptured Funds, Program Income, and other Funds may also be used to pay-off, make payments on, or provide credit toward Section 108 Loan Guarantee projects and/or ED Float Loan projects.

6. Reallocated funds from HUD will be assigned to the most appropriate Fund by the ADECA Director and distributed in accordance with the methodology described in this One-Year Annual Action Plan.

7. The State recognizes the applicant's right to retain Program Income within acceptable limits to the extent that the income is applied to continue the activity from which such income was derived, or for other CDBG eligible activities.

8. From time to time, areas declared a disaster by the President will be addressed by a separate Disaster Program for the purposes of disaster relief, long-term recovery, and mitigation.*

   *Nothing in this Action Plan will limit the eligibility of an applicant or activities to be addressed by the CDBG Disaster Program, to the extent such eligibility and activities are permitted by the HUD Disaster Rule. Similarly, any activities funded by the CDBG Disaster Grant will not limit the applicant's ability to apply for a grant under this Action Plan, to the extent the applicant is otherwise eligible under this Action Plan.

METHODS OF ALLOCATION

The State of Alabama's PY2016 Community Development Block Grant (CDBG) money will be allocated as shown on the preceding pages and as described below. The application submission dates for these funds will be announced during the CDBG workshops or through other appropriate widely distributed public notifications.

Each activity funded with CDBG funds must address at least one of the three National Objectives of the CDBG program. These objectives are:

1. To benefit low and moderate income persons, of which at least 51% must be from low and moderate income households, except for single family housing activities which must benefit 100% low and moderate income households;
2. Aid in the prevention or elimination of slums and blight; or,
3. Meet other urgent community needs posing a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

In addition to meeting at least one of the three National Objectives listed above, activities must meet one of the following three performance goals:

1. Create suitable living environments,
2. Provide decent affordable housing, or
3. Create economic opportunities.

Further, activities must demonstrate the ability to achieve or improve one or more of the following outcomes:

1. Improve availability or accessibility of units or services,
2. Improve affordability of housing or other services, and/or
3. Improve sustainability by promoting viable communities.

The Categories of Funds from which PY2016 CDBG monies will be allocated are as follows:

COUNTY FUND

This Fund is a reservation of money for county governments to be awarded on a competitive basis. Eligible applicants are all counties, except Jefferson and Mobile, which meet eligibility requirements listed under Thresholds.

LARGE CITY FUND

This Fund is a reservation of money for the State's larger municipalities to be awarded on a competitive basis. Eligible applicants are all non-entitlement cities with a 2010 Census population of 3,001 or more that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

SMALL CITY FUND

This Fund is for the State's small cities/towns to be awarded on a competitive basis. Eligible applicants are all cities or towns with a 2010 Census population of 3,000 or less that are not members of the Jefferson or Mobile County consortiums, and which meet eligibility requirements listed under Thresholds.

ECONOMIC DEVELOPMENT FUND (ED FUND)

This Fund is to assist activities necessary for economic development projects. Economic development projects are those based on job creation or retention. These funds will be allocated on a continual basis. Applications may be submitted anytime during the program year. Eligible applicants are all non-entitlement local governments that meet eligibility requirements listed under Thresholds.

SECTION 108 LOAN GUARANTEES

This Fund provides an opportunity for communities to seek, through the Secretary of HUD, loan guarantees for the purpose of financing economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. The State will not obligate for loan guarantees more than $10 Million per project, nor more than the HUD-established limit per year. In those instances where there is an exceptional economic impact, then a waiver of the $10 Million per project ceiling may be granted. The State may use the ED Fund, the Recaptured Fund, Program Income, or other funds to provide credit toward and/or make payments on Section 108 Loan Guarantee projects.

PLANNING FUND

This Fund's monies will be awarded to those local governments who demonstrate the need for local planning. Eligible applicants are all non-entitlement local governments that meet the eligibility requirements listed under Thresholds.

COMMUNITY ENHANCEMENT FUND

This Fund is a reservation of money to provide funding for eligible CDBG activities which communities consider important to enhance the quality of life for area/community residents. Eligible applicants are non-entitlement local governments who meet applicable thresholds.

RECAPTURED FUND

This Fund will consist of any funds returned to the State or deobligated due to cost underruns or grantees' failure to satisfy corrections during the program year, except Program Income as defined by applicable regulations. The ADECA Director, at his or her discretion, will use an appropriate amount of Recaptured Fund to fund the Black Belt Region Projects as well as assist eligible and fundable projects from any of the Fund categories listed above. The Recaptured Fund may also be used to meet State commitments caused by Section 108 Loan Guarantee underpayments or nonpayment of ED Float Loans. Money from the Recaptured Fund will be awarded based on the criteria applicable to each individual Fund. It is estimated that the State will receive approximately $500,000 for this year.

In addition to the above, the Recaptured Fund may also be used to amend grants from any prior or current year grant when warranted by the circumstances presented to ADECA in the grantee's amendment request. Such amendments may cause the original grant to exceed formerly applicable grant ceilings if necessary to satisfactorily address project needs and National Objectives. Factors to be considered when evaluating such requests are: (1) positive impact (on low and moderate income persons or other National Objectives) to be expected if the amendment is approved, versus negative impact if the amendment is not approved; (2) efforts of grantee to address circumstances requiring amendment before requesting an amendment from ADECA; (3) economic distress of grantee as presented in the amendment request; and (4) other extenuating or unusual circumstances which may have caused the request.

BLACK BELT REGION PROJECTS

This Fund category is designed to assist projects in the twelve counties of the Black Belt Region of the State. These counties include Bullock, Choctaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Pickens, Perry, Sumter and Wilcox. An appropriate amount based on need and availability of funds will be made available from the Recaptured Fund and other transfers, including transfer of balances from Funds listed above that are either not required or are not sufficient to fund an entire project or the majority of the projects applied for within those Fund categories.

No separate applications will be required for the Black Belt Region Projects. Instead, the unsuccessful applications received from the twelve Black Belt counties, including communities within those counties, for all other Funds will be considered under the Black Belt Region Projects. Award considerations for Black Belt Region Projects will no longer be constrained by rating of these projects under individual Funds. The award of Black Belt Region Projects will be based primarily upon the impact these projects will have on the community and the region. The State will exercise necessary discretion to allow alteration of designs and grant requests to maximize the benefit for the region.

URGENT NEED PROJECTS

An eligible community may apply for funding to address urgent needs resulting from occurrence of recent events (generally not older than 18 months) such as storms and flooding posing a serious and immediate threat to the health or welfare of the community. Such urgent need projects will not be subject to particular grant ceilings, timing, match requirements, or other limitations, and the ADECA Director will exercise full discretion by transferring available funds in different Fund categories. These projects will be considered as special Fund category projects.

JOINT PROJECTS

The PY2016 program allows two or more communities to jointly carry out activities to address their mutual needs. The following elements will serve as a guide in the eligibility and determination of such joint projects:

1. A project will not be considered as a joint project when the benefits accruing to additional jurisdiction(s) are purely of a secondary nature or account for less than 30 percent of the total project beneficiaries. In such cases, the additional jurisdiction(s) will not be subject to the applicable Thresholds.

2. A project applying for a single grant will be considered a joint project if two or more communities benefit from a project and each accounts for 30 or more percent of the beneficiaries. In such cases, the total beneficiaries as well as beneficiaries in each community must meet the National Objective, and the community with 50 or more percent beneficiaries will be subject to applicable State Thresholds and restrictions. In addition, each community with 30 or more percent beneficiaries must meet separate citizen participation requirements, assess housing and community needs of low and moderate income persons, and must become a party to a Memorandum of Understanding that delineates appropriate responsibilities.

3. A joint project may seek a multi-grant ceiling if benefits for each community are sufficiently significant to qualify as a separate grant. Such projects will be filed under the joint names of participating jurisdictions and each community will be separately subject to the State Threshold requirements. For such projects, each community must meet separate citizen participation requirements, assess housing and community development needs of low and moderate income persons, and become a party to a Memorandum of Understanding that delineates appropriate responsibilities. For the purposes of grant administration, the State will permit one participating community to serve as lead applicant.

The State will use a common sense approach to review and rate joint projects to ensure that the State's intent to maximize efficiency is realized and that the impact from such projects materializes. Applicants proposing joint projects seeking multi-grant ceilings must review their projects with the State prior to submittal.

STATE ADMINISTRATION/PLANNING

The $538,084 for State Administration is a reservation of money for effective management of the CDBG program by the State, and these funds will be matched on a dollar for dollar basis, except for the $100,000 that does not have to be matched.

STATE TECHNICAL ASSISTANCE FUND

This Fund is a reservation of money for the provision of technical assistance to the communities of Alabama for effective participation in the State's CDBG program, to increase local capacities, and for other eligible purposes. The State Technical Assistance Fund may also be used for the State Administration.

GRANT CEILINGS AND MINIMUMS

The figures stated below establish general ceilings and minimums on the grant amounts that may be requested per Fund. Consideration in the award of grants will be given to the size of the community requesting funds and to the requirements of the proposed project. An applicant must recognize that requesting the maximum grant amount allowable will not always be appropriate.

FUND	CEILING/MINIMUM
County Fund	$350,000 Ceiling
Large City Fund	$450,000 Ceiling
Small City Fund	$350,000 Ceiling
Community Enhancement Fund	$250,000 Ceiling/$50,000 Minimum
Planning Fund	$40,000 Ceiling
Section 108 Loan Guarantees	$10,000,000 Maximum

Economic Development Fund	Minimum	Maximum
ED Grants	$50,000	$200,000
ED Incubator	$50,000	$250,000
ED Loans	$50,000	$250,000
ED Float Loans	$1,000,000	$10,000,000

NOTE:
These ceilings are subject to HUD's actual CDBG allocation to the State of Alabama. At the discretion of the ADECA Director, these ceilings may be modified in order to maintain program integrity.

THRESHOLDS

The following thresholds will apply to communities seeking to apply for PY2016 CDBG funds:

1. Cities and Counties with any open Economic Development Fund or Planning Fund PY2013 or earlier grant funded in calendar year 2013 or earlier as of March 31, 2016, will sit-out for all Funds except for the Economic Development Fund.

2. Cities and Counties with an open grant (except Economic Development Fund or Planning Fund) from any Fund as of March 31, 2016, will sit out for all Funds except for the Economic Development Fund.

3. Cities and Counties that have applied unsuccessfully for an eligible project three consecutive years will receive an additional consideration.

4. Cities and Counties eligible to apply for Competitive Funds (the County Fund, Large City Fund, and Small City Fund) and the Community Enhancement Fund will be limited to only one application from either one of these Funds.

5. A unit of government may not apply if it has an unresolved audit finding involving disallowed costs as the result of a determination made by a private audit, an ADECA financial review, or an ADECA CDBG staff monitoring review. A waiver may be provided in cases where the ADECA Director has reviewed a grantee's proposed response and has determined that repayments due to the State are secured by an appropriate security instrument, stream of income, or other adequate measures.

6. A unit of government may not apply if it owes the State or Federal government money as the result of determinations made by a private audit, or as the result of determinations made by an ADECA financial review, or an ADECA CDBG staff monitoring review. A waiver may be provided in cases where the ADECA Director has determined that repayments due to the State are secured by an appropriate security instrument, stream of income, or other adequate measures.

7. A proposed project must stand alone to serve the proposed beneficiaries without the need for additional funds that are not shown in the application, unless the other necessary funds are known of and verifiable by the State. Any other funds shown in the application must be verifiable by the State.

8. Applicants must demonstrate the ability to maintain any facilities funded under the CDBG Program.

9. An applicant must not have been deemed by the State to lack capacity to carry out a CDBG project.

10. An applicant's regular program must benefit at least 51 percent (51%) low and moderate income persons or qualify under the Area Benefit under the HUD rule, unless it is a housing rehabilitation program - in which case the beneficiaries must be 100 percent low and moderate income, or if it is a project that addresses slum and blight - in which case it must meet the slum and blight National Objective.

11. Applications for the Planning Fund must present thorough evidence showing how the activity will address one of the National Objectives applicable to planning grants.

NOTES:

1. Where eligibility for any grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by March 31, 2016 for the grant to be considered closed-out. State policies concerning funds retained for administrative/engineering costs will be considered when determining grant closeout dates.

2. Grants funded by special HUD allocations for programs such as disasters, neighborhood stabilization (NSP), or recovery (CDBG-R) will not prohibit jurisdictions from applying for PY2016 CDBG funds.

3. For any issue or subject not addressed in this PY2016 One-Year Annual Action Plan, or in the case of conflicting issues, the ADECA Director will make a final ruling based on the precedents, established practices, or otherwise what is in the best interest of the State. In rare cases, the ADECA Director may provide a waiver from these Thresholds if specific situations merit granting such a waiver.

APPLICATIONS FOR COUNTY, LARGE CITY, AND SMALL CITY FUNDS COMPETITIVE PROCESS

CDBG funds allocated to the County Fund, Large City Fund, and Small City Fund, also known as Competitive Funds, will be distributed through a competitive grant application process. Eligible communities may submit one competitive application, and the competitive application may contain one or more activities that are designed to address single or multiple needs. The project may take a comprehensive scope designed to revitalize an identified project area, may be a stand-alone activity to address a specific need, or may undertake two or more activities in a general project area that together enhance the scope of the project by way of cost efficiency, project visibility, public welfare, or other reasons.

The aim of the competitive process is to compare all applications in the same funding category to each other within the framework of criteria set up to judge the merits of community development activities. This entails assigning points based on how well an application addresses each rating criterion. To ensure that the competitive process is fair and even-handed, all applications must be submitted by a specific cut-off date, and no changes may be made in the application after it has been submitted to the State. The State may request clarification of the proposal that in no way affects the substance of the application, or the State may require minor project modifications in the interest of enhancing the scope and/or impact of the project activities.

Criteria for Rating Competitive Grants

All counties, large cities, and small cities will compete for the Competitive Funds from a respective Fund category, i.e., County Fund, Large City Fund, or Small City Fund. All grant applications will be rated for a maximum score of 200 points. Applications will be awarded funds in order of decreasing score until funds in a given Fund category are exhausted. The rating criteria for scoring applications will be as follows:

Rating Criteria	Points
Nature of Benefits	130
Local Match	20
Cost/Benefit Ratio	50
Total	200

Explanation of Rating Criteria

Nature of Benefits

The following four evaluation elements will be used to determine points under the Nature of Benefits rating criteria. The PY2016 CDBG Application Manual will provide additional details for meeting the reporting and documentation requirements of these broad evaluation elements.

a. Needs Assessment – This is an assessment of community-wide needs associated with housing and essential community development facilities, including the needs of low and moderate income households.

b. Project Development – This is a description of the need(s) to be addressed, the process used to identify the need(s), and the activities that would best address the need(s), including alternatives considered.

c. Impact – This is a qualitative and quantitative description of project impact in addressing the needs of the project area and/or the community, including the number of beneficiaries, low and moderate income beneficiaries, directness of benefit, urgency or criticalness, secondary benefits, and life expectancy of improvements.

d. Other Considerations – This is a consideration of the adequacy of utility rates, operations and maintenance capacity, local participation, local capacity to implement a CDBG project, distress factors, cost efficiencies, utilization of innovative approaches, past efforts, or other relevant factors not previously discussed.

Local Match

Up to 20 points will be available for communities providing a local match. Points will be awarded based on the percent of local funds divided by the total amount of requested CDBG dollars. Two points will be awarded for a one percent match, 4 points will be awarded for a two percent match, up to 20 points awarded for a ten percent match. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required, and the full 20 points will be awarded in this Fund category.

Cost/Benefit Ratio

This is the measure of the project's cost per beneficiary, and the scoring will be based on a comparison of (i) the applicant's cost per beneficiary for each activity to (ii) the base level ratio. A base level ratio of $4,000 for all public facilities, $8,500 for housing, and $14,500 for relocation has been established by ADECA. Applicants with ratios at or below these levels for each activity will receive maximum points for these activities. For projects with more than one substantial activity, the point score will be based on the weighted average of the activity cost of all proposed substantial activities. The cost beneficiary ratio will be computed based only on the amount of requested CDBG dollars.

The rating forms that will be used to score Competitive Fund (County Fund, Large City Fund, and Small City Fund) applications will be publicly available at the CDBG Application Workshop. All eligible cities and counties will be notified about the date, time, and location of the CDBG Application Workshop.

APPLICATIONS FOR THE COMMUNITY ENHANCEMENT FUND

The purpose of the Community Enhancement Fund is to allow the State the flexibility to fund important projects through an evaluation and review process. This Fund can be used to provide funding for eligible activities that communities consider important to enhance the community in a manner that is beyond providing for the more basic and essential needs, or for any other eligible CDBG activity. Examples of activities include facilities for fire protection, emergency 911 telephone service, senior centers, boys and girls clubs, recreational facilities, removal of architectural barriers, historic preservation, downtown/neighborhood revitalization, and community centers. Eligible applicants for the fund are all non-entitlement local governments who meet applicable Thresholds. Applications for this Fund must be submitted by the announced cut-off date.

Criteria for Rating Community Enhancement Grants

The Community Enhancement Fund grant applications will be reviewed by ADECA CDBG staff for compliance with a National Objective and eligibility Thresholds. The applications will be reviewed for factors that include:

1. Assessment of need for project
2. Importance of activity to community
3. Clarity of benefit to low and moderate income persons or limited clientele
4. Community involvement/efforts or joining of two or more communities to address common needs
5. Project description
6. Financial feasibility
7. Cost reasonableness
8. Capacity for operation and maintenance
9. Local match
10. Past efforts

Special consideration will be given to projects that effectively demonstrate community involvement/efforts in the design, implementation, and promotion of the project. Consideration will also be given to projects where two or more eligible applicants jointly propose to carry out activities to address their mutual needs. Depending on the nature of the needs and the type and extent of beneficiaries, a separate grant ceiling may be permitted. Funding and implementation of such joint projects will be subject to HUD rules.

The ADECA CDBG staff evaluation will be used to guide the selection of the projects, although the ADECA Director may vary from the ADECA CDBG staff evaluation when a particularly strong need is perceived. The ADECA CDBG staff evaluation will consist of two independent reviews comprised of a 0-5 point scoring scale, wherein a score of “0 points” indicates that the project is ineligible for one or more reasons, a score of “1 point” indicates a weak project, and a score of “5 points” indicates a very strong project.

A grant ceiling amount of $250,000 and a minimum grant amount of $50,000 have been established for the Community Enhancement Fund. The ADECA Director may waive either of these limits.

The Community Enhancement Fund will require a specific local match equal to or exceeding 10 percent of the amount of CDBG funds requested in the application. In a jurisdiction determined by the 2010 Census to have 1,000 or less persons, no match will be required if the applicant lacks the financial capacity to provide the match.

Community Enhancement Fund projects will be awarded based on the total highest score in decreasing order until the Fund's monies are depleted. When funds are not available to fund all projects with similar scores, the ADECA CDBG Staff's site evaluation will determine the project(s) to be funded.

APPLICATIONS FOR THE PLANNING FUND

The purpose of the Planning Fund is to assist communities having a need for comprehensive or other planning. Eligible plans include comprehensive plans, elements of comprehensive plans, downtown revitalization plans, eligible components of regional studies, or other strategies and studies important to sound and effective community growth and development. The ceiling for these grants will be $40,000 with a provision for a waiver, although applications requesting smaller amounts will be viewed more favorably unless a very substantial need or opportunity is demonstrated. A cash match of 20 percent of the project cost will be required. However, for jurisdictions of 1,000 or less population (as determined by the 2010 Census), the match may be waived when the applicant lacks the financial capacity. Applications will be considered on a continual basis until the cut-off date.

Evaluation Considerations

The Planning Fund grant awards will be made based on the following evaluation considerations:

1. How the proposed project will contribute to principally benefiting low and moderate income persons, or how the proposed project will contribute to aiding in the prevention of slums and blight.
2. The need and urgency of planning activities proposed. The State reserves the authority to not fund a project if the need or urgency is not clearly demonstrated, and if the amount requested is not appropriate for the plan or the size of the planning area involved.
3. How the proposed project will contribute to the development of a planning process which will serve as a guide for orderly and/or consistent growth and community development.
4. How the proposed project will aid in, or contribute to, the involvement or creation of various community groups, advisory councils, planning/zoning districts, redevelopment authorities, etc., in the ongoing planning process.
5. The amount of funds requested relative to the size of the community, the complexity of the proposed elements, and the final product. This consideration will be particularly important where larger grant requests are involved.
6. The community's prior year grants received, as well as implementation of prior planning efforts.

APPLICATIONS FOR THE ECONOMIC DEVELOPMENT FUND

The purpose of the Economic Development Fund (ED Fund) is to allow the State to fund activities necessary to take advantage of economic development opportunities that would result in the creation or retention of jobs. In addition to PY2016 money allocated for the ED Fund, approximately $165,000 is expected in Program Income from earlier loans that will be available for funding of ED Fund projects or for making payments on Section 108 Loans Guarantees. Also, ED Float Loans will be covered in this section, since ED Float Loans will be used only for economic development. However, funds used for short-term grants, or ED Float Loans, will come from all categories of grants. The ED Fund projects will be funded under the following four distinct categories: (1) ED Grants, (2) ED Incubator Projects, (3) ED Loans, and (4) ED Float Loans.

The eligible ED Fund projects will be generally funded in the order they are received, regardless of the Fund category under which they fall. Eligible applicants for ED Grants, ED Loans, and ED Float Loans are all non-entitlement local governments, provided other applicable thresholds are met. The applicable grant ceilings and minimums for ED Fund projects will be as cited earlier in the section on grant ceilings. The rules and requirements which will govern ED Grants, ED Loans, and ED Float Loans are spelled out under respective headings in the following paragraphs.

ED GRANTS

Eligible applicants may apply for ED Grants to provide land, facilities, and infrastructure such as water lines, sewer lines, rail spurs, docks, cranes, access roads, etc., to facilitate creation and/or retention of jobs by a new or existing business. The eligible applicants may also apply for grants to assist a public, private, nonprofit, or such other entity including a business in support of an economic development project that will result in the creation of jobs, including jobs for unemployed, under-employed, and recipients of welfare assistance. The State will exercise maximum flexibility and maximum controls in considering activities that will have a direct and significant impact on the creation of jobs. The assistance to public, private, or any such entity may be in the form of a grant, a loan, or a deferred payment loan, and may pay for activities eligible under the CDBG Program including day care and related facilities, transportation, and operations. A grant ceiling of $200,000 and a floor of $50,000 will apply. Applications may be submitted anytime during the program period, and applications will be funded on an "as needed" basis. The State will maintain the right to deny funding of any application during the program period, depending on the quality of the project or the results of past projects, or on considerations such as labor supply, wage levels, environmental effects, etc. The State may waive the $200,000 grant ceiling if the merit of the project shows a significant long-term economic benefit for the State.

In rare and exceptional cases, the State may award an ED Grant using ED Fund, Recaptured Fund, Program Income, or other Funds in support of Section 108 Loan Guarantee projects. ED Grants may be used toward loan payments, debt retirement, and other eligible purposes. The amount and appropriateness of ED Grants may take into consideration factors such as the size of the project, magnitude of local support, overall impact, and unique features associated with the project. Projects involving ED Grants will be governed by Section 108 Loan Guarantee requirements, and may be granted exemptions from the Threshold requirements.

The Threshold requirements for ED Grants are listed below. These Thresholds are in addition to overall Thresholds listed earlier in this PY2016 One-Year Annual Action Plan.

Thresholds

1. The proposed activities must be associated with the location of a new business or an expansion of an existing business generally creating 15 or more jobs. Projects proposing job retention will generally not qualify for ED Grants unless, in the opinion of the State, significant job losses will have a long-term detrimental effect on the community and low and moderate income people. For projects involving job creation or retention without a capital expansion, the State may disregard such expansion requirement if, in the opinion of the State, significant economic impact and benefit to low and moderate income persons merit such a decision.

2. The applicant must have a commitment from the business to create and/or retain the jobs as described in the application.

3. The project must generally fall in the SIC Code 20 through 39, or consist of major warehousing or distribution centers, or such other activities having a prospect of significant economic impact.

4. At least 51 percent of the project's beneficiaries specified in the application must be persons of low and moderate income.

5. The project must include a local match of at least 20 percent of the amount requested in the ED Grant application. This amount may be eliminated for projects when the applicant's population, as determined by the 2010 Census, was 1,000 or less, and the applicant lacks the financial capacity to provide the match. Under extremely extenuating circumstances, the ADECA Director may provide a waiver to the local match requirement.

6. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs, subject to 24 CFR Part 570 prohibition on the use of CDBG assistance for job-pirating activities.

7. ED Grants will not be made in cases where construction of the private facility has already started prior to the grant award date or the earliest possible date of Release of Environmental Conditions by ADECA. If such start is unavoidable, a waiver may be granted if a request is made to ADECA to do so prior to the start of any construction activity at the project site.

Evaluation Criteria

Applications for ED Grants will be considered on a continual basis. Such applications will be reviewed for conformance with the Thresholds, and the funding decision will be guided by the following factors:

1. Importance of the proposed activities to the location or expansion of a business

2. Number and certainty of proposed jobs
3. Proposed local match
4. Scope of a new business or expanding business, i.e., products, product markets, current or projected employment and payroll, labor skills required
5. Urgency of proposed activities
6. Importance of the project to further welfare reform objectives

ED INCUBATOR PROJECTS

The State will provide assistance to eligible communities from the ED Fund to support ED Incubator Projects that will commit to create new jobs. For the purposes of the State program, an "Incubator" is "a building and program operated either by a private entity, a nonprofit organization, or a unit of local government for the primary purpose of aiding fledgling businesses in their efforts to survive and grow during the first 3 to 5 years of existence. Such aid may come in the form of subsidized floor space, equipment, professional services, or other assistance viewed as appropriate by the State." Eligible applicants may apply for ED Incubator Project grants anytime during the program period. A grant ceiling of $250,000 will apply. The State will maintain the right to deny funding of any ED Incubator Project, depending on the quality and/or certainty of the proposal.

Thresholds

Threshold requirements listed earlier in this PY2016 One-Year Annual Action Plan will apply to all ED Incubator Projects.

Evaluation Criteria

Factors to be considered in evaluating the worthiness of ED Incubator Project proposals will include:

1. Criteria or system to be set up by an "Incubator" program to assure that 51 percent of the beneficiaries of the program are low and moderate income persons.

2. Desirability of "Incubator" site
   a. Proximity to a metropolitan area or other center of economic activity
   b. Accessibility of jurisdiction
   c. Accessibility of site
   d. Quality and suitability of structure or proposed structure
   e. Level of infrastructure serving site

3. Evidence of Local Support
   a. Financial
   b. Professional
   c. Other

4. Feasibility of Program
   a. Clarity of Program
   b. Certainty that program will be carried out for specific period

c. Background and credentials of personnel in program
d. Nature of program

ED LOANS

Eligible applicants may apply for ED Loans anytime during the program period to make loans to private businesses for locating or expanding in the community and creating or retaining jobs for low and moderate income persons. ED Loans can be used for purchasing land, buildings and equipment, site improvements, construction or renovation of buildings, operating capital, or any other CDBG-eligible activity. A reasonable percentage of an ED Loan project may be a grant to cover administrative costs. Deferred payment loans will have a write-off provision. ED Loans made from the Revolving Loan Fund will be governed by the same requirements as ED Loans made from the ED Fund. ED Funds used by communities to make ED Loans to private businesses will have a payback requirement. The determination as to the local government's disposition of the proceeds of repayment of loans will generally be made at the time an ED Loan is funded. As required by Section 104(j) of the Housing and Community Development Act of 1974, as amended, the State will, as part of all application reviews, recognize the applicant's right to retain Program Income to the extent such income is applied to continue the activity from which such income was derived. The repayments may be allowable to the regional commissions/councils to be used for similar purposes if they are determined to be nonprofit organizations serving the development needs of the communities in non-entitlement areas. A grant ceiling of $250,000 will apply to applications requesting ED Loans, although there is a waiver provision. The State will maintain the right to deny funding of any application or activity during the program period, depending on the quality of the loan, the appropriateness of the proposed project, or the capacity of the community to undertake such a project. Threshold requirements for ED Loans are listed as follows, and are in addition to overall Thresholds listed earlier in this PY2016 One-Year Annual Action Plan.

Thresholds

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.
2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.
3. The applicant must have a commitment from the business to create or retain jobs.
4. Beneficiaries of ED Fund projects must be at least 51 percent low and moderate income persons.

Evaluation Criteria

Applications for ED Loans will be considered on a continual basis. Each application will be reviewed for conformance with the Thresholds and other regulatory requirements. The following factors will be considered in making funding decisions:

1. CDBG dollars per permanent job
2. Leverage ratio (private dollars as compared to CDBG dollars)

3. The actual number of permanent jobs to be created or retained
4. Potential for spin-off benefits
5. Job diversification
6. Loan pay-back/collateral

ED FLOAT LOANS

ED Float Loans are short-term loans which will be made out of appropriated, but unexpended, CDBG program funds (such funds may be from any fiscal year) that may have been allocated to specific program activities. The purpose of ED Float Loans is to allow the State to fund activities necessary to take advantage of economic development opportunities which will principally benefit low and moderate income persons. ED Float Loan funds used for short-term loans will come from all Fund categories of grants. A reasonable amount of Program Income or Recaptured Funds may be used to provide a grant to administer an ED Float Loan. As ED Float Loans are repaid, the repayment of principal will be used to restore all Funds from which the monies initially came, while the interest will generally be used to increase the State's CDBG ED Fund. As is indicated above under the Section on ED Loans, the State will recognize the local government's right to retain Program Income when such income is to be applied to continue the activity from which the income was derived. The amount of funds available for the ED Float Loan program will be determined by careful monitoring of the fund flow needs of the CDBG program. Because the State recognizes that the ED Float Loan program entails some risk, each request will be analyzed on the basis of the need of grants previously funded. ED Float Loans will be made only after it has been determined, to the maximum extent possible, that the amount and term of any ED Float Loan will not commit the State's letter of credit balance to the degree that other previously-funded grants are delayed or jeopardized. ED Float Loans may come from more than one year's funds with the amount from one year being less than the minimum. Eligible applicants for ED Float Loans are all non-entitlement local governments that meet eligibility Thresholds listed previously herein this PY2016 One-Year Annual Action Plan.

The ED Float Loan program will be governed by the following requirements:

Program Objective

A primary objective of the ED Float Loan program is to expand economic opportunities, principally for persons of low and moderate income. Normally, the program will be used only to aid in the creation of new jobs and on projects where there is likely to be a substantial economic development impact. In exceptional circumstances the ED Float Loan program may be used to help retain jobs. Of the jobs to be created or retained, at least 51 percent must be occupied by or made available to low and moderate income persons. If ED Float Loans are made in order to retain jobs, the applicant must clearly demonstrate that without CDBG assistance the jobs would be lost.

Eligible Activities

ED Float Loans can be used to finance any necessary activity, including acquisition, site preparation, new construction, renovation, purchase of machinery and equipment, working capital, refinancing, and other CDBG-eligible activities approved by the State.

Loan Amounts and Terms

The minimum ED Float Loan amount shall be $1 Million, and the maximum ED Float Loan amount shall be $10 Million. These maximum and minimum loan amounts may be waived by the State when significant long-term economic benefits for low and moderate income persons are involved. The loan term will be for one year, and can be extended for one additional year. Interest earned on ED Float Loans will be treated as Program Income, and will be used for CDBG-eligible activities.

Evaluation Criteria

Applications for ED Float Loans will be considered on a continual basis. However, due to the unique nature of the ED Float Loan program, the State intends to fund only a limited number of ED Float Loan projects. Prior to accepting any application, the State will require a thorough review of the project with the State. ED Float Loan funding decisions will be based on the following factors:

1. Conformance with the National Objective
2. Loan security, which security shall be in the form of an irrevocable letter of credit or such other security acceptable to the State
3. Number of jobs involved
4. Private investment
5. Unemployment/community distress
6. Job diversification
7. Indirect/spin-off benefits

SECTION 108 LOAN GUARANTEES

The purpose of the Section 108 Loan Guarantee program is to provide communities with an opportunity to seek loan guarantees to finance economic development activities as permitted in Title I of the Housing and Community Development Act of 1974, as amended. Guarantees must be approved by the Secretary of HUD. The applicable ceiling is $10 Million per project, with a waiver provision. No more than the HUD-established limit will be committed annually. Eligible applicants are all non-entitlement communities who meet the Thresholds listed earlier in this PY2016 One-Year Annual Action Plan, as well as those Thresholds listed below. For projects with significant economic impact, the State may use the ED Fund, Recaptured Fund, Program Income, or other Funds to grant an appropriate amount toward Section 108 Loan Guarantee payments and for debt retirement.

Thresholds

1. The proposed activities generally must be associated with an economic development project creating and/or retaining permanent jobs.
2. The proposed project must not involve intrastate relocation of a business, except when such relocation may have been necessitated due to inadequacies associated with the existing location and a move to a new location will result in a greater number of jobs.
3. The applicant must have a commitment from the business to create or retain jobs and make private investment as described in the application. In those instances where a business has not

yet been identified, the applicant must commit to create a certain number of jobs within a specified amount of time acceptable to the State.

4. Beneficiaries of Section 108 Loan Guarantee projects must be at least 51 percent low and moderate income persons.

Evaluation Criteria

Applications for Section 108 Loan Guarantees will be considered on a continual basis, since opportunities for economic development may arise at any time. Section 108 Loan Guarantees will be evaluated in accordance with 24 CFR Part 570, the Section 108 Final Rule, along with consideration being given to the following:

1. Section 108 dollars per permanent job;
2. Actual number of jobs to be created or retained;
3. Potential for spin-off benefits.

ELIGIBLE ACTIVITIES

Eligible activities under the State's CDBG program are all activities listed as eligible under the Housing and Community Development Act of 1974, as amended, including public service activities proposed separately or jointly with other non-service type activities.

ESTIMATED FUNDS FOR ACTIVITIES BENEFITING LOW AND MODERATE INCOME PERSONS

The Housing and Community Development Act of 1974, as amended, requires that the State furnish its citizens with "the estimated amount (of funds) proposed to be used for activities that will benefit persons of low and moderate income." The State estimates that at least 80 percent of its PY2016 CDBG funds will be used for activities that primarily benefit low and moderate income persons. The remaining 20 percent of PY2016 CDBG funds are anticipated to be used for the prevention or elimination of slums and blight (such as the Planning Fund grants), and to assist communities with imminent threats to public health and safety when no other financial resources are available.

ALABAMA'S PLAN FOR MINIMIZING DISPLACEMENT FROM USE OF CDBG FUNDS

The Housing and Community Development Act of 1974, as amended, requires that the State furnish citizens with its "plans for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced." The following four elements shall serve as the State of Alabama's "Plan for Minimizing Displacement for Programs Utilizing U.S. Department of Housing and Urban Development Funds."

1. Minimizing Displacement: The State will discourage applicants from designing programs that involve extensive displacement. Applicants should displace persons and businesses only when there is no reasonable alternative to accomplishing the purposes of their program. The State's rating system addresses the higher costs of programs which involve displacement by making more expensive solutions to problems less competitive.

2. Persons Actually Displaced: Applicants shall plan for the probability of displacement in program design by requesting sufficient funds to accommodate the costs of displacement. Grantees shall provide from CDBG, or their own resources, for the reasonable costs associated with all displacement necessary to carry out the purposes of the grantee’s program.

3. Local Plan for Grant Recipients: The State of Alabama requires that that all localities applying HUD funds through the State certify that, “The City/County will minimize displacement of persons as a result of activities with CDBG funds and will assist persons actually displaced as a result of such activities.” Further, upon funding, all recipients shall be required to keep a local Plan for Minimizing Displacement in the program files.

4. Grievance Procedure: The State will follow the grievance procedure identified in the Complaints section of the State’s Citizen Participation Plan.

ATTACHMENT 2

STATE OF ALABAMA EMERGENCY SOLUTIONS GRANTS PY2016 ONE-YEAR ANNUAL ACTION PLAN

History

The Emergency Shelter Grant Program (ESG) was first enacted under Title V of the U.S. Department of Housing and Urban Development's appropriation act for the fiscal year 1987, and was fully established by the Stewart B. McKinney Homeless Assistance Act in 1988. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 amended the McKinney-Vento Homeless Assistance Act. The HEARTH Act included major revisions to the Emergency Shelter Grant Program, essentially changing it to the Emergency Solutions Grants Program. This is a program that may provide assistance to all areas of the state. ESG funds are used to upgrade existing homeless facilities and domestic abuse shelters, to help meet the operating costs of such facilities, to provide essential services to both sheltered and unsheltered homeless persons, to help prevent homelessness, to re-house homeless persons, and to assist in the costs of administering HMIS activities.

Distribution of Funds

The ESG Program is administered by the Alabama Department of Economic and Community Affairs (ADECA) and will be utilized to provide assistance to homeless persons and victims of domestic abuse as defined under the Stewart B. McKinney Homeless Assistance Act, as amended. The State will receive $2,486,800 in PY2016 ESG funds. The State will allocate funds based on the quality of applications received from local units of government and private nonprofit organizations. No portion of these funds will be set aside for specific purposes. ESG dollars must be matched on a dollar for dollar basis by subrecipients. However, the State is incorporating into this Plan the option allowed by law and regulations to forgive up to $100,000 in required match when circumstances of extreme need indicate this is appropriate. The State will consider the urgency, need, and distress of the applicant when making such decisions.

Pre-Award Costs

The State requests permission to receive reimbursement for administration costs incurred prior to the award date of the agreement between the U.S. Department of Housing and Urban Development and ADECA. The costs would include eligible functions performed by ADECA's staff members during the State's administration of the ESG program.

Thresholds

An applicant may only be included in one application. A second-tier subrecipient may be included in more than one application. No applications will be accepted under the following circumstances:

- The applicant owes the state or federal government money and no repayment arrangement is in place.
- Disallowed costs have resulted from an ADECA review or audit and no resolution is finalized.
- The applicant has an open ESG grant from FY2014 or an earlier year.
- The private nonprofit organization (acting as the applicant or second-tier subrecipient) lacks 501(c) (3) status.

Where eligibility for the grant is subject to close-out of earlier grants, acceptable closeout documents which require no changes must have been received by ADECA by noon on March 31, 2016, for the grant to be considered closed out.

Grant Ceilings

In order to address needs throughout the State, the Program will use a grant ceiling of $200,000 for applicants that will serve a single jurisdiction. An applicant that will serve multiple localities within a single county is defined as a single jurisdiction. An applicant that will serve multiple counties will have a grant ceiling of $400,000. An applicant may not be listed as a second-tier subrecipient in another application. However, a second-tier subrecipient may be listed as a second-tier subrecipient in more than one application. In the event that all funds are not awarded through the one-time competitive application process, the State may negotiate with applicants to utilize all current year funds. Initiation of negotiations will be done by the State based on (1) demonstrated need; (2) prior performance; and (3) other available resources. Such negotiations may cause the original grant to exceed formerly applicable grant ceilings.

Recaptured Funds

Recaptured funds consist of any funds returned to the State during the program year, except Program Income as defined by applicable regulations. The Director, at his or her discretion, will use an appropriate amount of recaptured funds or unutilized prior year funds to assist eligible and fundable projects from the program year in which the funds are returned. The State may negotiate with subrecipients to reallocate all recaptured funds and unutilized prior year funds.

In the event of the availability of recaptured or unutilized prior year funds, subrecipients that have not exceeded the grant ceilings will be notified first. Subrecipients will submit a written response of their interest in receiving the recaptured or unutilized prior year funds. If all funds are not awarded after the first notification, the remaining subrecipients will be allowed to submit a written response expressing their interest in receiving the recaptured or unutilized prior year funds. Grant ceilings may be waived in efforts to award all recaptured or unutilized prior year funds.

Factors to be considered when reallocating funds include: (1) estimated number of program participants to be served; (2) impact on the community if the persons are not served; (3) other extenuating or unusual circumstances which may have necessitated the additional funding, (4) prior performance of the subrecipients' grant administration, (5) the subrecipients' demonstrated ability to expend funds in a timely manner, and (6) the subrecipients' ability to supply the required matching funds.

Eligible Activities

ESG funds may be used for the following activities allowed under the McKinney-Vento Homeless Assistance Act, as amended:

Street Outreach

Assistance provided must serve unsheltered homeless persons who are neither willing nor able to access housing, emergency shelter, or an appropriate health facility. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of:

- 60 percent of that fiscal year's total ESG grant award; **or**
- The amount of the State's FY2010 grant funds committed to street outreach and emergency shelter activities.

Eligible costs include:

1. Engagement – Activities to locate, identify, and build relationships with unsheltered homeless persons in an effort to provide intervention, immediate support, and connections with mainstream social services, homeless assistance programs, and/or housing programs.

2. Case Management – Services include the cost of assessing service and housing needs. Case managers will arrange, coordinate, and monitor the delivery of individualized services in order to meet the needs of the program participants.

3. Emergency Health Services – Eligible costs include the direct outpatient treatment of medical conditions. Services are provided by licensed medical professionals operating in community-based settings and other places where unsheltered homeless persons reside. ESG funds may be used only if other appropriate health services are unavailable or inaccessible in the area.

4. Emergency Mental Health Services – Eligible costs include the direct outpatient treatment of mental health conditions by licensed medical professionals operating in community-based settings and other places where unsheltered homeless persons reside.

5. Transportation – Eligible costs include travel by social workers, medical professionals, outreach workers, or other service providers when the travel takes place during the provision of eligible street outreach services.

6. Services to Special Populations – Eligible costs include eligible essential services that have been tailored to address the special needs of people living with HIV/AIDS, homeless youth, and/or victims of domestic violence and related crimes/threats.

Emergency Shelter

The types of assistance include providing essential services to homeless individuals or families in emergency shelters, operating costs for emergency shelters, costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families, and assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). Staff costs related to carrying out emergency shelter activities are eligible. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of:

- 60 percent of that fiscal year's total ESG grant award; **or**
- The amount of the State's FY2010 grant funds committed to street outreach and emergency shelter activities.

Eligible costs include:

1. Essential Services – case management, child care, life skills services, employment assistance and job training, education services, legal services, transportation, substance abuse treatment services, outpatient health services, mental health services, and services for special populations.

2. Shelter Operations – Rent, facility maintenance, utilities, food, insurance, furnishings, security, equipment, fuel, and supplies necessary for the operation of the emergency shelter. Hotel or motel vouchers are eligible only when no appropriate emergency shelter is available.

3. Renovation – Costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families, including labor, materials, tools, and other costs including soft costs. The emergency shelter must be owned by a private nonprofit organization or a governmental entity. Types of renovation include:

    - Conversion - A change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs exceed 75 percent of the value of the building after rehabilitation. (If ESG funds are used for conversion, the facility must be used as a shelter for the homeless for at least a ten-year period.)

    - Major Rehabilitation – Rehabilitation that costs in excess of 75 percent of the value of the building before rehabilitation. (Where ESG funds are used for this purpose, the building must be used as a homeless shelter for at least a ten-year period.)

    - Other Renovation – Rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation. (Where ESG funds are used for this purpose, the building must be used as a shelter for at least a three-year period.)

Value of the building means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the subrecipient or the second-tier subrecipient.

4. Assistance Required under URA – Costs of providing URA assistance, including relocation payments and other assistance to persons displaced by a project assisted with ESG funds.

<u>Homelessness Prevention</u>

Assistance may be provided to individuals and families who meet HUD's definition of at risk or at imminent risk of homelessness. Individuals and families must have an income below 30% of Area Median Income. Staff salaries related to service provision are eligible. Eligible costs include:

1. Rental Assistance – Assistance may be short- or medium-term. Short term assistance may be provided for up to 3 months. Medium-term assistance may be provided for 4 to 24 months. Assistance may be provided during any 3-year period, including a one-time payment for up to 6 months of the tenant's portion of rental arrears.

2. Housing Relocation and Stabilization Services – Consists of two types of assistance: financial assistance and services.

   A. Financial Assistance – ESG funds may be used to pay utility companies, housing owners, and other third parties for the following types of costs: rental application fees, security deposits, last month's rent, utility deposits, utility payments, and moving costs.

   B. Services – ESG funds may be used to pay the costs of providing the following services:

      1. Housing Search and Placement – Activities or services necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.

      2. Housing Stability Case Management – Services necessary to assess, arrange, coordinate, and monitor the delivery of individualized services to facilitate housing stability.

      3. Mediation – Mediation between the program participant and the owner or person(s) with whom the program participant currently resides to prevent the program participant from losing permanent housing in which they currently reside.

4. Legal Services – Services necessary to resolve a legal problem that prohibits the program participant from obtaining or maintaining permanent housing.

5. Credit Repair – Services necessary to assist program participants with critical skills related to household budgeting, money management, accessing a free personal credit report, and resolving personal credit problems.

Rapid Re-Housing

Assistance may be provided to individuals and families who meet HUD's definition of being literally homeless. Staff salaries related to service provision are eligible. Eligible costs are the same as those for Homelessness Prevention.

Homeless Management Information System (HMIS)

HMIS is a statutory requirement of the HEARTH Act. Victim service providers cannot participate in HMIS. Legal services organizations may choose not to participate in HMIS. Providers that do not participate in HMIS must use a comparable database that produces unduplicated reports. Eligible costs include purchasing or leasing equipment or computer hardware; purchasing software licenses; obtaining technical support; leasing office space; overhead charges such as electricity, phone, water, gas, and high-speed data transmission necessary to operate the HMIS; salaries necessary to operate the HMIS; travel to attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act; travel costs to conduct intake; and paying participation fees charged by the HMIS Lead Agency designated by the Continuum of Care to operate the area's HMIS.

Administration

Administration includes the activities necessary to administer the grant in compliance with program objectives and regulations. Eligible administrative costs include staff to operate the program, preparation of progress reports, audits, and monitoring of recipients. This does not include staff and overhead costs directly related to carrying out other ESG eligible activities. No more than 7.5 percent of the State's grant may be spent for administrative costs.

Obstacles to Addressing Underserved Needs

Various obstacles to addressing underserved community needs exist across the State. In the rural counties, transportation is a major issue. Nonexistent public transportation limits access to mainstream resources. Dwindling funding for mainstream resources at various levels of government further negatively impact the needs of persons experiencing homelessness. The shortage of affordable permanent housing presents another obstacle. Job loss, unemployment, and the lack of affordable healthcare are also obstacles.

Proposed Activities

The point-in-time surveys completed in 2015 for the State of Alabama documented 3,970 homeless persons. Of those, 1,027 were unsheltered and 2,943 were sheltered in emergency shelters, transitional shelters or safe havens. Because these numbers indicate needs for both sheltered and unsheltered homeless persons, the State has identified additional housing resources and case management services as priority needs in its Consolidated Plan. In an effort to address these needs, the State has chosen to allow applicants to request funding for all eligible activities.

For homeless assistance activities (emergency shelter and street outreach), the objective is to create a suitable living environment. The outcome is availability/accessibility.

For homelessness prevention and rapid re-housing activities, the objective is to provide decent affordable housing. The outcome is affordability.

Application Process

The application submission date for ESG funds will be announced during the ESG Application Workshop or through another widely distributed notification process. Applicants are limited to local units of government and private nonprofit organizations. Funds will be awarded competitively based on the factors reviewed below. The State may exercise discretion to fund requests fully or partially, if so warranted, to maximize impact on the State's homeless and other ESG-eligible clientele. The State may conduct site visits to potential subrecipients. The site visits may influence funding decisions.

A. Identification of Homeless Assistance Needs 20 Points

Applicants will identify the homeless assistance needs they propose to address for their service area including the needs of other eligible clientele such as victims of domestic violence. Applicants should specifically address the needs of the unsheltered homeless persons in their service area. They should use quantifiable data, specific to their service area, to the maximum extent possible. Data should include the number of individuals and families actually served during the last calendar year.

B. Applicant's Strategy to Address Homeless Problems 25 Points

Applicants will describe their strategy for addressing homeless problems. They will provide specific data quantifying the types of assistance or services provided to homeless individuals and families or those persons at risk of homelessness during the last calendar year. Applicants will estimate the number of participants they propose to assist in relation to the types of assistance to be provided. They should explain their strategy for targeting funds to the neediest persons, or to the geographic or functional areas where funds may have the greatest impact.

C. Capacity and Coordination 20 Points

Applicants will describe their management capacity, especially that of all second-tier subrecipients, if any. Provide specific details relating to direct or related experience with service provision to homeless individuals and families or those at-risk of homelessness. Applicants will provide their plan to coordinate and integrate ESG-funded activities with other programs targeted to serving homeless persons and with mainstream resources for which program participants may be eligible.

D. Participation in a Continuum of Care 15 Points

The applicant will demonstrate a thorough understanding of the "continuum of care" concept and explain how the services provided by it or its second-tier subrecipients are in line with this concept. This will include information concerning membership in an existing Continuum of Care Homeless Coalition. Explain the levels of participation for the applicant and that of the second-tier subrecipients regarding continuum initiatives, activities, and programs. Provide details regarding the strategies of the particular continuum for serving the homeless.

E. Match 10 Points

Points will be given based on the clarity of proposed match. Match (in-kind or cash) must be explained as to how its use relates to the activities allowed under the McKinney Homeless Assistance Act, as amended. Match must be verified to include resolutions and letters detailing sources of funds. If match comes from the city or the county, then the source of funds (general fund) must be identified. Letters from banks, organizations, or donors specifying donated items will be needed. Volunteer hours and fundraising efforts will need to be discussed in enough detail to establish validity. The service area or activities for which volunteer hours will be used must be clearly indicated.

F. Budget 10 Points

The budget narrative must consist of a thorough explanation of activities involved with the request. Each budget category (Administration, Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-Housing, and HMIS) must give a detailed description of costs. The applicant's budget must be the aggregate of the second-tier subrecipients' budgets. In addition to the budget forms, each agency for which funds are requested should submit its annual budget that shows the source and amount of other funds received.

TOTAL POINTS AVAILABLE 100 Points

<u>Process for Making Sub-awards</u>

Applications should provide the applicants' strategies to provide emergency shelter, street outreach, homelessness prevention, and rapid re-housing assistance. Project reviews will include the following criteria:

- demonstrated need for assistance in the service area
- plan to provide services to the target population
- capacity to carry out program requirements
- activities to be performed
- coordination with local agencies serving similar target populations

If necessary, the State may request additional information to assist with reviews. State subrecipients will be required to ensure that program information is available in the appropriate languages for the geographic areas to be served with ESG funds.

Tie Breaker

In the event of tied scores where funding is not available to all applicants, the Director will exercise discretion in funding requests with the most impact. The Director may also exercise discretion in adjusting funding awards to serve needs in a greater number of communities without significantly reducing the effectiveness of proposed programs.

Monitoring Plan

ADECA staff will monitor each ESG grant on-site at least once prior to project close-out. Areas reviewed for compliance include adherence to the program's national objective and eligibility requirements, progress and timeliness, citizen participation, environmental, shelter standards, housing habitability standards, rent reasonableness, affirmative outreach, fair housing, equal employment opportunity, procurement, and financial management.

After each monitoring visit, written correspondence is sent to the subrecipient describing the results of the review in sufficient detail to clearly describe the areas that were covered and the basis for the conclusions. Monitoring determinations range from "acceptable" to "finding" with appropriate corrective measures imposed. Corrective measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, or reimbursement of disallowed costs.

If the subrecipient has not responded within 30 days after the date of ADECA's letter, ADECA staff will work with the subrecipient through phone calls, e-mails, or written correspondence to obtain the requested information. No grant can be closed until all monitoring findings have been satisfactorily resolved.

ADECA maintains an "HESG Projects Schedule" spreadsheet which is used as a tracking system to ensure each ESG grant is monitored at least once prior to close-out. Monitoring visits will be scheduled at the time when at least 40 percent of the funds have been drawn. This spreadsheet is also used to track monitoring findings, receipt of the requested responses, and the date of project closeout.

ADECA retains the ability to schedule additional monitoring visits as may be necessitated by problems identified in the monitoring visit or when grant conditions demonstrate a need for additional ADECA review. Further, ADECA may also incorporate additional monitoring and review techniques not listed here in order to ensure program compliance.

Consultation with Continuums of Care

The State and the continuums of care (CoC) in its jurisdiction mutually agreed to maintain the following outcomes developed in 2012 for the ESG program.

1. Determining how to allocate ESG funds for eligible activities
   a. Membership in CoC – Agencies interested in applying for ESG funding must be active, participating members of the local continuum of care.
   b. Service Provision – Services provided by the interested agencies must meet an established goal of the local CoC.
   c. Capacity – Interested agencies must have demonstrated their capacity to carryout ESG or similar program activities.
   d. Collaboration - Interested agencies must collaborate with local agencies that serve similar target populations.
   e. Coordination - Interested agencies must coordinate with other agencies that provide mainstream resources to similar target populations.
2. Developing the Performance Standards for activities funded under ESG
   a. Agencies funded with ESG funds must utilize written intake forms that clearly document eligibility for ESG assistance, and homeless status at program entry and program exit.
   b. Funded agencies must report client data in HMIS, unless the agency is a victim service provider or legal service provider. In such cases, the funded agencies must report client data in a comparable database.
   c. Funded agencies must set measurable targets to be accomplished throughout the life of the program.
   d. Funded agencies and their respective CoC will periodically monitor program progress of all ESG-funded activities to document:
      1. Impact of ESG-funded projects
      2. Number of persons served by ESG-funded projects
      3. Number of program participants obtaining mainstream benefits such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Programs, VA Health and Pension Benefits, Supplemental Security Income/Social Security Disability Insurance, and Medicaid
3. Developing funding, policies, and procedures for the operation and administration of the HMIS *PromisSE*, a web-based data management system, serves as a multi-implementation of HMIS. Every continuum in the state, with the exception of the Homeless Care Council of Northwest Alabama, utilizes *PromisSE*. *PromisSE* is operated under a Steering Committee which consists of members of each continuum across the states of Alabama and Florida. *PromisSE* has established policies and procedures. Funding for HMIS and related activities and costs will be limited to up to five percent of the grant award to individual subrecipients.

Written Standards for Provision of ESG Assistance

Because the needs of program participants and their access to available assistance vary across the State, the State will require its subrecipients to establish and implement their own written program standards. Program standards must not be designed to discriminate against any program participant. Program standards must be applied consistently to every program participant. At a minimum, program standards must include the following:

1. Policies and procedures for evaluating individuals' and families' eligibility for ESG assistance.

2. Policies and procedures for coordination among homelessness prevention and rapid re-housing assistance providers, emergency shelter providers, essential service providers, other homeless assistance providers, and mainstream service and housing providers.

3. Policies and procedures for determining and prioritizing which eligible individuals and families will receive homelessness prevention assistance and which eligible individuals and families will receive rapid re-housing assistance.

4. Standards for determining the length of time a particular program participant will be provided with rental assistance and if and how the amount of that assistance will be adjusted over time.

5. Standards for determining the share of rent and utilities' costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.

6. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant. Include the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).

7. Standards for targeting and providing essential services related to street outreach activities. Include the limits, if any, on the street outreach assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).

8. Policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest.

9. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.

10. Procedures to guarantee that reasonable steps are taken to ensure meaningful access to program activities for persons of limited English proficiency.

11. Standards for terminating assistance. Include requirements of a formal process to terminate assistance. At a minimum, the process should contain:

- A written notice to the participant stating the reason for termination of assistance.
- A review of the decision, where the participant is given the opportunity to present written or oral objections.
- Prompt written notice of the final decision to the participant.

Performance Standards

Funded agencies and their respective CoC will periodically monitor program progress of all ESG-funded activities to document:

- Impact of ESG-funded projects
- Number of persons served by ESG-funded projects
- Number of program participants obtaining mainstream benefits such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Programs, VA Health and Pension Benefits, Supplemental Security Income/Social Security Disability Insurance, and Medicaid

Outcome Measures

Outcome measures will be determined by performance indicators. Because the State's ESG program will be implemented in different geographic areas with various needs, various social services programs and various degrees of access to service, the State chose not to develop performance indicators. The subrecipients will develop performance indicators that best depict program accomplishments for their local areas. Performance indicators specific to geographic areas will be evaluated to determine program outcomes.

Centralized or Coordinated Assessment

The continuums of care are in various stages of developing a centralized or coordinated assessment system for their respective service areas. Housing First, the continuum of care serving Mobile City and County and Baldwin County, has begun utilizing its coordinated assessment system. Once the other assessment systems are developed, each ESG-funded program will utilize the system implemented by its local continuum.

Requirements for recipients who plan to use the risk factor under paragraph (1) (iii) (G) of the "at risk of homelessness" definition

If the recipient plans to serve persons "at risk of homelessness", based on the risk factor "otherwise lives in housing that has characteristics associated with instability and increased risk of homelessness" describe specific characteristics associated with instability and increased risk of homelessness.

The State accepts the following conditions to be indicative of housing instability and increased risk of homelessness:

1. Documented mental health conditions that limit or prohibit a person's ability to work;
2. Documented physical health conditions that limit or prohibit a person's ability to work;
3. Documented substance abuse that limits or prohibits a person's ability to work
4. Person has a criminal background; or
5. Occurrences of domestic violence or abuse.

One-year goals and specific action steps for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The point-in-time counts for 2015 showed that there were 1,027 unsheltered homeless persons in Alabama. The State's goals are to decrease the number of unsheltered homeless persons and to increase the provision of services to them. In an effort to reach out to the unsheltered homeless persons and address their needs, the following action steps will be undertaken.

1. The ESG subrecipients and second-tier subrecipients will work more closely with the continuum of care groups throughout the state to identify the unsheltered homeless persons in their service areas and determine their needs.
2. In addition to their established programs, the ESG subrecipients and second-tier subrecipients will target unsheltered homeless persons in an effort to provide shelter and services to them.
3. The ESG subrecipients and second-tier subrecipients will ensure that their case managers inform the unsheltered homeless of services available to them and coordinate with those service providers in an effort to facilitate the provision of those services.

Addressing the emergency shelter and transitional housing needs of homeless persons

The point-in-time counts for 2015 showed that there were 2,943 homeless persons in emergency shelter and transitional housing in Alabama. The State's goals are to decrease the number of sheltered homeless persons and to increase the provision of services to them. In a continued effort to provide services to the sheltered homeless persons and address their needs, the following action steps will be undertaken.

1. The ESG subrecipients and second-tier subrecipients will work more closely with mainstream service providers throughout the state to link the sheltered homeless persons in their service areas to the appropriate services.
2. The ESG subrecipients and second-tier subrecipients will work more closely with housing agencies to determine availability for those sheltered homeless persons exiting the system.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The State's goals are to shorten the length of time any homeless person remains homeless, facilitate access to affordable housing units, and prevent reoccurrences of homelessness. However, according to the Low Income Housing Coalition of Alabama, there is a shortage of 90,000 available and affordable housing units in the State. This shortage creates a huge obstacle to obtaining these goals. However, case managers working with ESG funds will continue to seek supplemental assistance for their clients by coordinating with mainstream service providers.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are:
Being discharged from publicly funded institutions and systems of care, such as healthcare facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions

The State's goal is to increase awareness of permanent housing, emergency shelter, and transitional housing availability. In order to accomplish this goal, the ESG subrecipients and second-tier subrecipients will inform those publicly funded institutions of the available housing options in their service area. This information would then be made available to those persons being discharged. The ESG subrecipients and second-tier subrecipients will also work more closely with mainstream agencies serving individuals and families that are at risk for homelessness in an effort to inform them of available permanent housing, emergency shelter, and transitional housing availability.

Receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs

The State's goal is that ESG subrecipients' and second-tier subrecipients' case managers will become more knowledgeable about the types of public and private assistance that address housing, health, social services, employment, education and youth needs. To accomplish this goal, case managers will work more closely with mainstream service providers and private agencies which address these needs. The case managers will provide this information to their clients and assist them in obtaining other eligible assistance.

The jurisdiction must specify the activities that it plans to undertake during the next year to **address the housing and supportive service needs** identified in accordance with §91.215(e) with respect to **persons who are not homeless but have other special needs.**

The Alabama Housing Finance Authority (AHFA), as the administrator of the HOME Program, provides opportunities for developer applicants to construct housing for some persons who are not homeless but may have other special needs. While AHFA does not specify what may be needed or desired in certain markets, they generally approve high quantities of housing for the elderly. Units for other persons with special needs are encouraged but not mandatory. HOME funds are not used for tenant-based rental assistance.

Information specific to the needs of non-homeless persons who may require supportive services or housing assistance is currently not reported to the State. However, to address these needs, the following steps will be taken. Where applicable, the continuum of care groups in the State will work towards expanding their membership to include agencies that provide services to the following persons who are non-homeless: elderly, persons with HIV/AIDS, persons with disabilities, persons with alcohol or other drug addictions, and public housing residents.

At a minimum, each continuum will coordinate with these agencies in its service area regarding the supportive services and housing needs of these persons. The continuums will summarize and prioritize these needs. Once this information is available, the continuums, service providers, and other interested agencies can begin to plan activities and coordinate efforts to address these needs.

ATTACHMENT 3

STATE OF ALABAMA
HOPWA PROGRAM PY2016 ONE-YEAR ANNUAL ACTION PLAN

Introduction

In August of 2009, the Centers for Disease Control and Prevention (CDC) stated that HIV Prevention in the United States is at a critical crossroad. The CDC further stated that the science is clear: HIV prevention can and does save lives. Scores of scientific studies have identified effective prevention interventions for numerous populations, and it is estimated that prevention efforts have averted more than 350,000 HIV infections in the United States to date. In addition to the lives saved from HIV, it is estimated that more than $125 billion in medical costs alone have been averted. But the HIV crisis in America is far from over. The CDC reports that in the United States alone, AIDS has claimed the lives of 658,507 persons overall with 13,712 claimed in 2012 alone. Additional data from the CDC indicates the following:

1. At the end of 2015, the CDC estimates 1,218,400 persons aged 13 and older were living with HIV infection in the United States, including 156,300 (12.8%) persons who do not know they have are infected. Over the past decade, the number of people living with HIV has increased, while the annual number of new HIV infections has remained relatively stable. Still, the pace of new infections continues at far too high a level—particularly among certain groups.

2. In 2013, an estimated 47,352 people were diagnosed with HIV infection in the United States. In that same year, an estimated 26,688 people were diagnosed with AIDS. Overall, an estimated 1,194,039 people in the United States have been diagnosed with AIDS.

3. "Incidence" is the number of new HIV infections that occur during a given year, and approximately 50,000 people in the United States are newly infected with HIV each year. In 2015, there were an estimated 50,000 new HIV infections, with nearly two thirds of these new infections occurring in gay and bisexual men.

4. **Blacks/African Americans** continue to experience the most severe burden of HIV, compared with other races and ethnicities. Blacks represent approximately 12% of the U.S. population, but accounted for an estimated 44% of new HIV infections in 2010. They also accounted for 41% of people living with HIV infection in 2011. Since the epidemic began, an estimated 270,726 blacks with AIDS have died, including an estimated 6,540 in 2012.

5. **Hispanics/Latinos** are also disproportionately affected by HIV. Hispanics/Latinos represented 16% of the population but accounted for 21% of new HIV infections in 2010. Hispanics/Latinos accounted for 20% of people living with HIV infection in 2011. Disparities persist in the estimated rate of new HIV infections in Hispanics/Latinos. In 2010, the rate of new HIV infections for Latino males was 2.9 times that for white males, and the rate of new infections for Latinas was 4.2 times that for white females. Since the epidemic began, more than 100,888 Hispanics/Latinos with an AIDS diagnosis have died, including 2,155 in 2012.

6. Roughly one in six people infected with HIV in the United States is unaware of his or her infection and may be unknowingly transmitting the virus to others.

The CDC concludes that the heavy burden of HIV in the United States is neither inevitable nor acceptable. It is possible to end the U.S. epidemic, but such an achievement will require that this nation dramatically expand access to proven HIV-prevention programs, make tough choices about directing available resources, and effectively integrate new HIV-prevention approaches into existing programs. A rapidly evolving body of research leaves no doubt that homelessness and housing instability are one cause of the continuing AIDS crisis in America. The research indicates that HIV prevention efforts within the United States are stalled, with the number of new infections in recent years remaining steady or even increasing. Findings reported at the North American Housing Research Summits and in the special issue of *AIDS & Behavior* show the following:

1. Homelessness and unstable housing are associated with increased rates of HIV sex and drug risk behaviors.

2. Unstable housing increases HIV risk behaviors even among those at highest HIV risk.

3. Homelessness and unstable housing are directly related to delayed HIV-related care, poor access to care, and decreased likelihood of treatment adherence.

4. The association between lack of stable housing and greater HIV risk behaviors remains even among persons who have received risk reduction services.

Controlling for age and income, homeless men as compared to stably-housed men in the urban South region of the United States were 2.6 times more likely to report sharing needles, 2.4 times more likely to have four or more sex partners, and 2.4 times more likely to have had sex with other men. In a recent study of 833 low-income women, homeless African-American women and Hispanic women were two to five times more likely than their housed counterparts to report multiple sex partners in the last six months, in part due to recent victimization by physical violence. Young men who have sex with men (YMSM) who experience residential instability, who have been forced to leave their homes because of their sexuality, and/or who are precariously housed, are at significantly greater risk for drug use and involvement in HIV risk-related behaviors. And homeless youth are four to five times more likely to engage in high-risk drug use than youth in housing with some adult supervision, and are over twice as likely to engage in high-risk sex.

The Southern HIV/AIDS Strategy Initiative (SASI) launched its findings on risk and health disparities in the South in 2011. The study's findings, conducted through the Center for Health Policy and Inequalities Research at Duke University, provided research to describe within this PY2015 One Year Annual Action Plan Alabama's target population, health care disparities, and need for intervention. The study's findings indicated that the southern states, particularly the Deep South states that include Alabama, experienced the highest rates of new HIV infections with 35% of new HIV infections but having only 22% of the U.S. population. The White House recognized the disproportionate effect by including persons living in the Southern United States in the 9th Indicator of Progress of the National HIV/AIDS Strategy for a reduction in disparities in the rate of new diagnoses.

Another set of important findings is that HIV risk-reduction interventions that have proven to be effective in general populations are proving to be less effective among persons who are homeless/unstably housed than among their housed counterparts, including counseling-based, needle exchange, and other behavioral interventions. Unstably housed needle-exchange participants are twice as likely to report high-risk receptive needle sharing than are the stably housed participants.

Female drug users living with unstable housing conditions report higher levels of HIV drug and sex-related HIV risk behavior than do their housed counterparts, and their levels of behavioral change over time are lower.

HIV health care disparities are also a factor in HIV infections. As observed by researchers from the CDC, "[t]he higher levels of HIV observed in the blood of unstably housed persons living with HIV compared to those who are stably housed has ominous implications for the health of unstably housed people living with HIV and increases their biological potential to transmit HIV to others."

Four public policy imperatives have emerged from these findings:

1. Make subsidized, affordable housing (including supportive housing for those who need it) available to all persons with HIV.

2. Make the housing of homeless persons a top prevention priority, as stable housing is a powerful HIV prevention strategy.

3. Incorporate housing as a critical element of HIV health care.

4. Continue to collect and analyze data so as to assess the impact and effectiveness of various models of housing as an independent structural HIV prevention and health care intervention.

The CDC estimates that there are currently more than 1.2 million individuals living with HIV disease in the United States. The CDC estimates that in 2012, 622 adults and adolescents were diagnosed with HIV in Alabama. Alabama ranked 17th among the 50 states in the number of HIV diagnoses in 2011, and ranked 11th in the rate of new infections in 2009. A report released by the Southern HIV/AIDS Strategy Initiative (SASI) states that 50% of all newly diagnosed individuals reside in the South. AIDS housing experts estimate that about 72% of all HIV-positive persons will need some form of housing assistance during the course of their illness. But at current funding levels, the federal Housing Opportunities for Persons with AIDS (HOPWA) program serves only 58,367 households per year. Additionally, there is not a single county in the United States where a person who relies on the maximum federal Supplemental Security Income (SSI) payment ($710.00 in 2013) can afford even a studio apartment.

As of December 31, 2015, the Alabama Department of Public Health's Demographic Statistics indicated that there are 12,761 HIV-positive individuals living in Alabama. Of new cases in 2015, 69.1% were African-American although they comprise only 26% of the state's population. Of these new cases in 2015, 48% were men who have sex with men (MSM).

Living with HIV disease is expensive. According to AIDS Alabama's 2010 Needs Assessment, 28% of Alabama's low-income, HIV-positive persons are actively employed and contributing to their communities. These individuals are considered the working poor. This number does not include an additional 19% who are unemployed but seeking employment. Financial support and supportive services are critical to maintaining housing for this population**.**

The first year of HOPWA funding began in September 1992. To date, AIDS Alabama has assisted several thousand unique households with rental and utility payments to prevent homelessness of those living with HIV/AIDS. Alabama continues to work with local providers to increase capacity to develop and operate HIV-specific housing. Currently, AIDS Alabama contracts with eight other AIDS Service Organizations (ASOs) to provide case management, rental assistance, direct housing, and outreach services statewide.

AIDS Alabama administers <u>five types of housing programs</u> geared toward persons living with HIV and AIDS. These five housing programs are available to all eligible persons throughout the State. These programs are:

1. <u>Rental Assistance:</u> AIDS Alabama provides a statewide rental assistance program with the purpose of keeping persons stably housed. This assistance consists of three types:

   a. <u>Short-Term Rent, Mortgage, and Utility Assistance (STRMU):</u> This assists households facing a housing emergency or crisis that could result in displacement from their current housing or result in homelessness. The recipient must work with a case manager to maintain a housing plan designed to increase self-sufficiency and to avoid homelessness.

   b. <u>Tenant-Based Rental Assistance (TBRA):</u> This is ongoing assistance paid to a tenant's landlord to cover the difference between market rents and what the tenant can afford to pay. Tenants find their own units and may continue receiving the rental assistance as long as their income remains below the qualifying income standard and other eligibility criteria are met. However, the tenant must have a long-term housing plan to pursue Section 8 or other permanent mainstream housing options.

   c. <u>Project-Based Rental Assistance (PBRA):</u> This offers low-income persons with HIV/AIDS the opportunity to occupy housing units that have been developed and maintained specifically to meet the growing need for low-income units for this population.

   Also, Master Leasing category offers two units that are leased by AIDS Alabama and sublet to consumers who need low income housing; an additional unit operates in the Mobile area. Selma AIDS Information and Referral (SELMA AIR) is working with the agency to locate and begin another such unit in their area.

2. <u>Emergency Shelter:</u> Two emergency shelters with beds dedicated to HIV/AIDS consumers operates in Alabama. The shelters are managed by the Health Services Center of Anniston and AIDS Alabama, Inc. Other existing emergency shelters provide emergency housing to persons with HIV/AIDS throughout the State. These shelters include the Firehouse Shelter, Salvation Army, SafeHouse, Jimmy Hale Mission, First Light, Pathways, and others. AIDS Alabama

partners with these agencies to make referrals and to seek long-term solutions for persons utilizing emergency shelters. AIDS Alabama has completed the process of converting the Rectory into an emergency shelter-based program.

3. Transitional Housing and the Living in Balance Chemical Addiction Program (LIBCAP): The Transitional Housing Program is available to homeless, HIV-positive individuals throughout Alabama. This program, located in Birmingham, provides 33 individual beds in eleven two-bedroom apartments. AIDS Alabama operates the LIBCAP to provide treatment and recovery services to adults who are HIV-positive and who have a chemical addiction problem. LIBCAP operates as an Intensive Outpatient Program (IOP). Also, there is the LIB AfterCare Program, which serves consumers in the transition to their own permanent housing placements and provides support, case management, and weekly AfterCare groups to increase housing stability and to prevent relapse.

4. Permanent Housing: Permanent housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

a. Agape House and Agape II offer permanent apartment complex living in Birmingham for persons with HIV/AIDS. There are 25 one-bedroom units, three two-bedroom units, and two three-bedroom units in these two complexes.
b. Magnolia Place in Mobile offers 14 two-bedroom units and a one-bedroom unit.
c. The Mustard Seed triplex offers three one-bedroom units in Birmingham.
d. Family Places is a Birmingham-based program comprised of five two-and three-bedroom, scattered-site houses for low-income families living with HIV/AIDS. As a permanent supportive housing option, tenants must agree to have a lease and a program agreement in order to participate.
e. Alabama Rural AIDS Project (ARAP) is a permanent supportive housing program that provides 14 units of housing in rural areas through the use of TBRA. An additional house in Dadeville is also used for the project. ARAP was funded in 1995 by HUD's HOPWA Competitive program and is still being funded. Historically it has been operated through a Master Leasing program, AIDS Alabama requested and received approval to convert to a TBRA based program in 2014.
f. The Le Project, AIDS Alabama's newest housing program, offers eleven master leasing units to homeless and chronically homeless, HIV-positive individuals and families. While a participant of the Le Project, consumers are required to participate in ongoing, intensive case management, including the development of a housing case plan, coordination of mainstream services, and regular home-visits.

5. Service Enriched Housing: Service Enriched housing is available to homeless, HIV-positive individuals throughout Alabama, and includes the following:

a. The only program in the State of its kind, JASPER House in Birmingham offers 14 beds in a single room occupancy model for persons who are unable to live independently due to their dual HIV and mental illness diagnoses. All occupants are low-income; the project is funded through HUD as a HOPWA Competitive grant and is certified as an Adult Residential Care facility by the Alabama Department of Mental Health.

HOPWA PROGRAM NEEDS ASSESSMENT

The needs of the population are primarily determined by five sources of data:

1. The 2010 Comprehensive Statewide Needs Assessment performed by AIDS Alabama. AIDS Alabama has completed the 2015 Needs Assessment and is currently analyzing the data with an expected release later this year.
2. The 2009, 2010, and 2011 National AIDS Housing Coalition's (NAHC) North American Housing and HIV/AIDS Research Summits;
3. The Point-in-Time survey completed by One Roof, the local Continuum of Care, and Continuum of Care membership agencies with latest data from January, 2015.
4. The 2013 Central Alabama Ryan White Statewide Coordinated Assessment of Need.
5. The 2009-2013 Comprehensive Plan for HIV Prevention in Alabama, conducted by the Alabama Department of Public Health.

There have never been more people living in Alabama with HIV disease than today. The needs of the population are critical and not unlike those of other vulnerable populations, as the population's 2009 average income was less than $950 per month, compared to $1,894 for that year's state per capita median monthly income.

Recent findings from the National AIDS Housing Coalition state that "…3% to 10% of all homeless persons are HIV-positive – ten times the rate of infection in the general population." This issue becomes more apparent when viewed locally. According to the 2012 Birmingham Area Point-In-Time Survey, five percent (5%) of all homeless persons surveyed were HIV-positive. The 2010 AIDS Alabama survey indicated gaps in the availability of housing assistance for homeless persons. Of the 537 HIV-positive persons interviewed, almost 10% indicated that they were homeless or living in temporary housing. An additional 28% indicated that they were doubling up with friends or family. More than half the total persons interviewed felt that their housing situations were unstable.

The Needs Assessment found that 37% of all HIV-positive households interviewed were in immediate need of some form of housing assistance. Furthermore, the need for transitional and permanent supportive housing is apparent, as permanent supportive housing for the chronically homeless is the highest priority of the local Continuum of Care.

The HUD PY2016 HOPWA Fund allocation to the State of Alabama equals $1,530,814. Given the preceding statistics and needs represented, AIDS Alabama will use the PY2016 HOPWA funds for the following programs:

1. Rental Assistance
2. Supportive Services (including case management, support staff, housing outreach, and transportation)
3. Operations of existing housing
4. Master Leasing
5. Resource Identification
6. Housing Information
7. Technical Assistance
8. Administration.

Each of these programs is defined in more detail below:

1. **Rental Assistance:**

Goal #1: To support a statewide rental assistance program through qualified AIDS Service Organizations.

Outcome: The network of AIDS Service Organizations that has formed will be maintained, ensuring any eligible Alabama resident access to HOPWA assistance.

Objective 1: Provide 80 households with emergency Short-Term Rent/Mortgage and Utility (STRMU) assistance between April 1, 2016, and March 31, 2017.

Outcome: At least 55 households will maintain stable housing and avoid homelessness because of temporary emergency situations.

Objective 2: Provide 55 households with long-term, Tenant-Based Rental Assistance (TBRA) between April 1, 2016, and March 31, 2017.

Outcome: At least 55 households will be assisted so that consumers can remain in affordable, leased housing and experience housing stability.

AIDS Alabama will use $373,316.00 to fund both short-term and Tenant-Based Rental Assistance (TBRA), as well as Project-Based Rental Assistance (PBRA) on an as-needed basis.

Due to the agency's success at providing consumers with Tenant-Based Rental Assistance (TBRA), the budget for other rental assistance must be monitored closely and strictly managed. Cost containment measures were instituted with the approval of the AIDS Service Organization Network of Alabama (ASONA), which serves as the HOPWA advisory body for AIDS Alabama. STRMU was limited to three months, and expenditures for first month's rent and deposit were frozen. However, recent cost analyses has shown that the success of the Homeless Prevention and Rapid Re-Housing Program (HPRP) had somewhat alleviated the rental assistance program's financial burden. However, HPRP ended for the agency and its partners on March 31, 2012, and another HPRP grant proposal through ESG funds was not funded. Therefore, a decision was made to increase the maximum benefit to 17 weeks of STRMU assistance.

Historically, new TBRA applications remained frozen while the waiting list grew. Stimulus Act Programs, such as HPRP, had provided some relief to the Tenant-Based Rental Assistance Program during the last several years, but these additional programs provided only a temporary respite. However, by monitoring this program closely, AIDS Alabama was able to open the TBRA waiting list during the current program year. Each AIDS Service Organization was given an additional TBRA voucher; these were quickly filled. Additional guidelines were set to allow the AIDS Service Organizations to use vouchers that became available through attrition.

Clients access this program by visiting AIDS Alabama or one of the eight partnering AIDS Service Organizations. They then complete an application with a HOPWA-certified and trained staff member of that agency. ASONA members involved in the decision-making process about how the rental assistance funds are expended include:

- AIDS Action Coalition – Huntsville
- Health Services Center – Anniston
- Unity Wellness Center – Auburn

- Medical AIDS Outreach of Alabama – Montgomery
- Birmingham AIDS Outreach
- Selma AIDS Information & Referral
- AIDS Alabama South (formerly South Alabama CARES*) – Mobile
- West Alabama AIDS Outreach – Tuscaloosa.

*South Alabama CARES (SACARES) of Mobile has become a LLC with its own federal tax identification number as of 10/17/2012. The agency is now AIDS Alabama South and operates as a part of AIDS Alabama. This change came about because South Alabama CARES had been unable to continue existence due to severe financial reversals. The SACARES board of directors approached AIDS Alabama in the Fall of 2012 requesting assistance. AIDS Alabama created a new, financially stable agency, hired all of the South Alabama CARES employees, hired a new Executive Director, and continues to focus on helping the agency to serve the more than 1,000 HIV-positive consumers in the South Alabama area.

Input from these agencies, combined with data from focus groups, surveys, and needs assessments, drive the protocols used in the Rental Assistance program. AIDS Alabama analyzes this information and adjusts the program to facilitate balancing the amount of funds available with the ultimate goal of avoiding homelessness, keeping families stably housed, and increasing consumer empowerment to succeed in a permanent housing setting. AIDS Alabama never seeks a change to the rental assistance program without:

- Receiving input from all subcontracting agencies
- Providing a minimum of a 30-day notice to each agency
- Ensuring that changes are compliant with HOPWA regulations.

For the Short-Term Rental, Mortgage, and Utility program (STRMU), applicants must re-apply and supply proof of need for each month of assistance for up to 17 weeks in an assistance year.

For the Tenant-Based Rental Assistance (TBRA) and Project-Based Rental Assistance, the residents are responsible for a portion of the rent based on their incomes. Clients are expected to maintain quarterly contact with their social workers, as well as pay the appropriate portions of the rent and maintain utilities.

ASONA serves as AIDS Alabama's HOPWA planning council. To access rental assistance, AIDS Alabama requires annual certification of these programs by the community-based organizations that are their partners.

2. Supportive Services:

Goal #2: Provide existing housing programs in the State with supportive services.

Objective 1: Provide 16,000 legs of transportation to social service and medical appointments between April 1, 2016, and March 31, 2017.

Outcome: Transportation to mainstream support services promotes healthier and more socially connected consumers who can live independently and remain in stable housing.

Objective 2: Provide case management and support services to 2,300 consumers statewide between April 1, 2016, and March 31, 2017.

Outcome: Consumers will be linked to mainstream resources that give them the ability to remain in stable housing and to live independently.

AIDS Alabama will use $440,000 to support housing programs in the State. This support will include supportive services such as transportation, case management, first month's rent and deposit (if available), and housing outreach. AIDS Alabama provides these services in the Birmingham Metropolitan Area and to the non-Jefferson County areas in their Public Health area. Furthermore, AIDS Alabama contracts for these services with eight other AIDS Service Organizations across the State, allowing HOPWA supportive services to be available in all 67 counties.

3. Operating Costs:

Goal #3: Support operating costs of current housing.

Objective: AIDS Alabama will use $488,417.00 to supplement the operating cost of the permanent and transitional units between April 1, 2016, and March 31, 2017, serving a potential 300 persons statewide. These funds cover furnishings, utility supplements, property management expenditures (lawn care, basic maintenance, and repair), security services, and support to ensure appropriate upkeep for all HIV-specific permanent and transitional housing in the State as described in the previous section.

AIDS Alabama increased the amount of funds used in this category due to several reasons:

1. The aging of current property has meant exorbitant increases in maintenance costs. Housing staff must constantly inspect and repair existing properties to keep current housing stock operational as safe housing for consumers.
2. The agency has launched a capital campaign that is resulting in increased funds for some projects, but costs continue to rise.
3. The agency was able to obtain a HOME grant from the City of Mobile to help with a massive rehabilitation of the Magnolia Place Property beginning in late 2012. This relief has been great, but existing properties elsewhere across the state continue to require high rehab funding. Magnolia Place is completely rehabilitated, and the project has been a success.

Outcome: All current residents in AIDS Alabama housing will enjoy safe, secure, and healthy stable housing.

4. Master Leasing:

Goal #4: AIDS Alabama will support local efforts to fill housing gaps and to provide housing in which consumers can learn permanent housing management skills.

Objective: Between April 1, 2015, and March 31, 2016, AIDS Alabama will use $9,000.00 to provide funding for the cost of one Master lease for a two-bedroom unit to be used for intermediate housing with focus on support services to help consumers move toward permanent housing. This unit will provide the consumer stable housing while the case manager links them to permanent housing options and helps them to avoid homelessness.

Outcome: AIDS Service Organizations other than AIDS Alabama will learn how to maintain and utilize housing in their areas to meet housing gaps.

AIDS Alabama will fund master leasing to AIDS Alabama South in the Mobile area as planned.

5. Resource Identification:

Goal #5: Support resource identification efforts.

Objective 1: AIDS Alabama will spend $47,000.00 between April 1, 2016, and March 31, 2017, to support collaboration among housing and HIV-positive service partners across the state to identify low-income housing and housing development efforts. Specific actions include:

A. Attend 100% of the appropriate HIV/AIDS housing and homeless conferences.

B. Support the cost of meetings to foster collaborations that will expand affordable housing for low-income, HIV-positive consumers with in-state housing organizations, such as the Low Income Housing Coalition of Alabama, Alabama Rural Coalition on Homelessness, Alabama Poverty Project, and others.

Outcome: AIDS Alabama staff members and contractors will be equipped to provide identification of low-income housing and housing development options in the State for persons and families living with HIV disease.

6. Housing Information:

Goal #6: Support ongoing housing information efforts in the State.

Objective: AIDS Alabama will use $15,000.00 to provide 7,600 individuals with HIV/AIDS housing information in a variety of venues, including health fairs, trade day events, HIV-awareness events, churches, non-traditional medical clinics, community clubs, shelters, substance abuse programs, beauty shops, jails, prisons, schools, and through other community service providers statewide between April 1, 2016, and March 31, 2017.

Outcome: HIV-positive individuals in counties throughout the State will know how to find stable and affordable housing resources.

7. Technical Assistance:

Goal #7: Provide technical assistance training around housing programs and development in Alabama.

Objective: AIDS Alabama will use $5,000.00 to provide at least two consultations and technical assistance sessions to ASONA member agencies who are engaged in specific, qualified projects between April 1, 2016, and March 31, 2017.

Outcome: Two consultations related to housing development programming to Selma AIDS Information and Referral and Medical AIDS Outreach of Alabama in Montgomery will help them to have improved goal attainment in their HOPWA contracts. Both programs have the opportunity to become part of their local Continuums of Care and position themselves to develop housing grants for their homeless consumers.

8. Administration:

The fee for administration of the HOPWA program will be $153,081 (10% per regulations). The state service agency (ADECA) will receive 3% ($45,924) as the grantee, and the project sponsor (AIDS Alabama) will receive 7% ($107,157). AIDS Alabama continues to draw on its committed sources of leverage in order to increase the capacity of the HOWPA program. Leveraged dollars from private and public sources, such as Medicaid Targeted Case Management, Ryan White case management, prevention education grants and outreach, development initiatives and newsletters, as well as private foundation grants, other HUD grants, tenant rent payments, properties, and program income allow AIDS Alabama to stretch limited fiscal resources while continuing to provide quality supportive housing services to its consumers.

Pre-Award Costs

The State requests permission to receive reimbursement for administration costs incurred prior to the award date of the agreement between the U.S. Department of Housing and Urban Development and ADECA. The costs would include eligible functions performed by ADECA's staff members during the State's administration of the HOPWA program.

Questions for AIDS Alabama may be directed to Kevin Finney, Director of Operations (Financial); Nathan Salter, Administrative Director of Programs or Kathie M. Hiers, Chief Executive Officer, at 205-324-9822.

HOPWA PROGRAM PY2016 Budget Summary
PY2016 Allocation: $1,530,814

HOPWA Fund Category	Federal Amount
Rental Assistance - STRMU	$100,316
Rental Assistance - TBRA	$193,000
Facility Based Housing Subsidy	$ 80,000
Supportive Services	$440,000
Operating Cost	$488,417
Master Leasing	$ 9,000
Resource Identification	$ 47,000
Housing Information	$ 15,000
Technical Assistance	$ 5,000
Administration	$153,081
Total	$1,530,814

As well as collaborating with state and federal entities, AIDS Alabama works diligently to secure partnerships with private sector organizations. Partnerships with the MAC AIDS Fund, the Greater Birmingham Area Community Foundation, major banking institutions, and others have allowed AIDS Alabama to increase supportive services, improve existing housing, and increase prevention efforts throughout the State. Support from such groups is also used as match and leverage to bring increased federal dollars and programs into Alabama.

Each and every grant received by AIDS Alabama is used to leverage additional funding from other sources to expand the scope of that grant funding. AIDS Alabama is a proven leader in the field of HIV/AIDS prevention, education and housing assistance. We administer over 100 units of affordable housing through a variety of programs. We effectively and efficiently manage each grant awarded to the agency and our auditing and grant review records document the fact. In addition, AIDS Alabama was the only ASO in the country to receive a state wide Navigator grant in 2014 designed to educate and enroll eligible citizens in a marketplace plan through the Affordable Care Act and was recently received a three year reauthorization of this program.

Our program *Enroll Alabama* reached over 10,000 people at community events and we conducted over 500 outreach education events. In the first enrollment period, *Enroll Alabama* enrolled 7,500 Alabamians in an Affordable Care Act marketplace plan, we had sixty adult volunteers to take the Navigator training and become Enroll Alabama volunteers. Further evidence of our ability to administer a grant program from the ground up, from outreach to implementation.

AIDS Alabama also provides culturally relevant primary prevention education to populations at greatest risk for HIV infection. ***Birmingham Many Men, Many Voices (B3MV)***, funded by the Centers for Disease Control and Prevention, includes both group and individual-level interventions for African-American Men who have Sex with Men (MSM) ages 13-29 in the Greater Birmingham area. This program is designed to serve the same targeted client base as this request for funding.

We have the experience necessary to assist the chronically homeless young adults to find housing and then to wrap them in supportive services to assure their success and that they become independent. Additionally, AIDS Alabama is an approved Medicaid provider. We access and leverage dollars by billing Medicaid for targeted case management related to access to medical treatment, mental health and substance abuse treatment. We bill Medicaid for targeted case management related to obtaining and maintaining stable permanent housing using detailed housing case assessment and planning tools focusing on defining every possible obstacle to housing and measurable goals with concrete action steps and target dates. We bill Medicaid where appropriate for Mental Health Services related to basic living skills and rehabilitative day treatment services offered to outpatient as well as to specific housing programs. Billings can include psychiatric assessment by an M.D. and individual or family group therapy. We also bill Medicaid where appropriate for Substance Abuse Services for intensive outpatient services, targeted case management, housing case assessment and planning and provision of services. Each of our Continuum of Care grants have leveraged at minimum the required amount to receive funding and in almost every case in excess of what is required.

During this next year, 2016, AIDS Alabama will complete analysis through the comprehensive Needs Assessment with HIV positive persons across the State of Alabama completed in 2015.

State Table 1 (Required)

Housing, Homeless and Special Needs
(based on 2000 Census)

Housing Needs

Household Type	Elderly Renter	Small Renter	Large Renter	Other Renter	Total Renter	Owner	Total
0 –30% of MFI							
% Any housing problem	51.7	68.8	81.2	67.0	65.2	66.3	65.7
% Cost burden > 30	50.2	64.9	66.3	65.5	62.0	64.3	63.0
% Cost Burden > 50	30.7	49.7	47.3	53.4	46.6	45.6	46.1
31 - 50% of MFI							
% Any housing problem	38.8	56.8	69.2	67.8	56.8	46.9	51.0
% Cost burden > 30	37.9	53.0	42.9	66.4	52.5	44.4	47.8
% Cost Burden > 50	12.6	11.1	5.3	19.6	13.5	21.9	18.4
51 - 80% of MFI							
% Any housing problem	25.5	23.7	45.6	28.4	27.5	32.1	30.6
% Cost burden > 30	24.1	18.0	10.2	26.5	21.0	29.2	26.5
% Cost Burden > 50	5.9	1.6	1.0	2.3	2.4	7.8	6.0

State Table 1 (Required)

Housing, Homeless and Special Needs (cont'd)

Homeless Continuum of Care: UNMET NEED (January 2013)

All Year-Round Beds/Units							**Seasonal**	**Overflow**
	Beds for Households with at Least One Adult and One Child	Units for Households with at Least One Adult and One Child	Beds for Households without Children	Beds for Households with Only Children	Units for Households with Only Children	Total Year-Round Beds	Total Seasonal Beds	Overflow Beds
Emergency Shelter	151	38	159	27	25	337	30	50
Transitional Housing	215	33	525	15	15	755		
Safe Haven			145			145		
Permanent Supportive Housing	310	34	1,322	6	6	1,638		

State Table 2A (Required)
Priority Housing/Special Needs/Investment Plan

PART 1. PRIORITY HOUSING NEEDS			Priority Level Indicate: High, Medium, Low Checkmark: Yes, No
Renter	Small Related	0-30%	High
		31-50%	High
		51-80%	Medium
	Large Related	0-30%	High
		31-50%	High
		51-80%	High
	Elderly	0-30%	High
		31-50%	High
		51-80%	Medium
	All Other	0-30%	High
		31-50%	High
		51-80%	Medium
Owner		0-30%	Medium
		31-50%	Medium
		51-80%	Medium

State Table 2A (Required)
Priority Housing/Special Needs/Investment Plan (cont'd)

PART 2. PRIORITY SPECIAL NEEDS	Priority Level Indicate: High, Medium, Low Checkmark: Yes, No
Elderly	Medium
Frail Elderly	Medium
Severe Mental Illness	Medium
Developmentally Disabled	Medium
Physically Disabled	Medium
Persons w/ Alcohol/Other Drug Addictions	Medium
Persons w/HIV/AIDS	High
Victims of Domestic Violence	Medium
Other	

ATTACHMENT 4

HOME Program - 2016 Housing Credit Qualified Allocation Plan and

HOME ACTION PLAN
PY2016 Funds

The 2016 State of Alabama's HOME Investment Partnerships Program Action Plan (the "Plan") was approved by the Board of Directors of the Alabama Housing Finance Authority ("AHFA") on December 17, 2015, and will be included as part of the State of Alabama's Consolidated Plan to be submitted to the U.S. Department of Housing and Urban Development ("HUD") for its approval. ***Until approved by HUD, the Plan is available for information purposes only and is subject to change in whole or in part.***

TABLE OF CONTENTS

I. HOME INVESTMENT PARTNERSHIPS PROGRAM

The Home Investment Partnerships Program (HOME) is a federally funded housing program established in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act (the "Act"). Under guidelines from the United States Department of Housing and Urban Development (HUD), Alabama Housing Finance Authority (AHFA) is the designated administrator and designer of Alabama's HOME Program. AHFA has specifically designed the HOME Program to meet the needs of low- and moderate-income Alabamians consistent with HUD guidelines.

II. DEFINITIONS

Act - the Cranston-Gonzalez National Affordable Housing Act passed in November 1990. This Act contains the provisions for the HOME Program and is further defined in 24 CFR Part 92.

Alabama Housing Finance Authority (AHFA). AHFA was designated the administrator of Alabama's HOME Program by the Governor of the State of Alabama on February 22, 1991.

Community Housing Development Organization (CHDO). In order to qualify as a CHDO, an organization must be a non-profit organization and meet the requirements specified in 24 CFR Section 92.2. The qualifying CHDO must have staff that is experienced in developing projects of the same size, scope and level of complexity as the activities for which HOME funds are being reserved or committed. HUD defines CHDO staff as paid employees responsible for day-to-day operations (volunteers, board members, and consultants are not considered staff). The organization must recertify annually to remain an active and qualified CHDO for purposes of applying for HOME funds.

Competitive Cycles - a period of time established by AHFA during which applications for funding under Alabama's HOME Program may be accepted.

Consolidated Plan (Plan) - a consolidated submission of the planning and application aspects of four HUD Programs, including the HOME Program. Other Plan programs are CDBG, ESG and HOPWA.

Agreement - Alabama's HOME Investment Partnerships Program Written Agreement. The HOME Agreement is an agreement executed by AHFA and the entity approved to receive an appropriation of HOME funds.

HOME Funds - funds made available under Alabama's HOME Program through allocations and reallocations, and may consist of any repayments and interest or other return on the investment of these funds.

Participating Jurisdiction - a state or local unit of government, which has met the requirements of Section 216 of the National Affordable Housing Act and will receive a separate appropriation of HOME funds to be used within its jurisdictional boundary. The State of Alabama is considered a participating jurisdiction. The local participating jurisdictions for this state are: Anniston, Jefferson County, Birmingham, Mobile, Mobile County, Montgomery, Huntsville and Tuscaloosa.

Project - a site or an entire building or two or more buildings, together with the site or (when permissible) sites on which the building or buildings are located, that are under common ownership, management, and financing and are to be assisted with HOME funds, under a Written Agreement by the owner, as a single undertaking. Project includes all the activities associated with the site and building.

Recipient - an individual, public agency, for-profit developer(s), CHDO, non-profit developer(s), or any entity that receives State of Alabama HOME funds.

III. ALABAMA'S HOME PROGRAM

AHFA has developed and implemented this HOME Action Plan for the State of Alabama in compliance with the rules set forth in Title II of the Act, the final rule published by HUD (collectively hereinafter referred to as the "HOME Regulations"). AHFA is required by the HOME Regulations to:

- Develop selection criteria to be used in determining housing priorities for the State. The selection criteria includes ranking each project in accordance with its location, fulfillment of housing needs, project and applicant characteristics and participation of local tax-exempt organizations;

- Develop an evaluation process whereby preference is given to projects, which serve: (1) the lowest-income tenants, and (2) qualified tenants for the longest period(s); and

- Develop compliance monitoring procedures to test for compliance with HOME Regulations and for notifying the Housing and Urban Development (HUD) of noncompliance.

A. Development of Selection Criteria

AHFA has been responsible for preparing a housing needs assessment and strategy for the State of Alabama since the HOME Investment Partnerships Program was created. In 1992, AHFA prepared the first Comprehensive Housing Affordability Strategy (CHAS) as a prerequisite for Alabama to receive federal dollars for housing. Prior to submitting the CHAS to HUD, AHFA prepared an extensive list of interested relevant parties from which to gather information and mailed letters of inquiry, questionnaires and surveys to various state agencies, service providers, housing directors and individuals. Based on the information gathered, along with data from the relatively new 1990 U. S. Census, AHFA then compiled a blueprint document for creating affordable housing across the State.

Beginning in 1995, HUD abandoned the CHAS and created the Consolidated Plan in an effort to blend the four Community Planning and Development (CPD) programs - Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) - into a single submission process for the purposes of the Consolidated Plan. AHFA, as administrator of the HOME program, was deemed responsible for writing the housing portion of the new document. The Consolidated Plan provided a detailed overview of how the State planned to utilize its annual Community Planning and Development funding[1] to meet economic development objectives, provide affordable housing, and address other special needs. As a contributor, AHFA offered a detailed analysis of the current status of housing in Alabama with special attention devoted to the condition of housing and housing affordability.

The early State Consolidated Plan submissions relied on figures from the 2000 U. S. Census. Once the 2010 U. S. Census became available, the State relied upon the newer figures. While Alabama, like all states, has experienced fluctuations in population, income, and other critical census-tracked data between 1990 and 2000 and between 2000 and 2010, one realization has not been altered – our State is still poor and thousands of Alabama families and households need a safe and affordable place to live. A great many unmet needs still exist and AHFA will use the limited resources available to address as many unmet needs as feasible across the State.

The Consolidated Plan, in addition to providing an overall assessment of housing needs for the State, identifies the housing needs associated with special needs groups (minorities, single-parent families, the elderly, people with disabilities, mental illness, or AIDS/HIV and homeless persons).

A demographic analysis performed for the first Consolidated Plan (and still true today) concluded "that a significant number of individuals in all parts of the state are in need of housing assistance. Those with the greatest needs are, predictably, concentrated at the lowest levels of the income hierarchy, wherein the housing cost burden is also the most severe. The largest numbers relative to housing needs are found in the state's most populous urban and metropolitan counties, but the greatest concentration of need is observed in the rural counties located in the southern portion of the state, the Black Belt in particular."

A component of the Consolidated Plan, the Analysis of Impediments to Fair Housing (AI), was updated in 2014 and submitted for HUD's review and approval with the Consolidated Plan in 2015. The purpose of developing the AI is to identify impediments to fair housing choice existing within Alabama's non-entitlement communities so as to determine courses of action designed to address those impediments. The AI identified ten (10) primary areas of impediment to fair housing. Outreach and education were the recommended courses of corrective action, either in part or in total, for eight (8) of the identified impediments. To that end, AHFA will encourage and offer Fair Housing training in efforts to measurably overcome the identified impediments. Alabama's Consolidated Plan and the Analysis of Impediments to Fair Housing are available at www.adeca.alabama.gov.

Additionally, the Consolidated Plan continues to be updated with historical AHFA data, including a list of HOME and Housing Credit projects placed in service and/or committed by AHFA since those programs began. The new Census data did not dramatically alter the state's affordable housing priorities. While state HOME funds provide hundreds of traditional affordable housing units across Alabama each year, the majority of beneficiaries have been families and, in some cases, the elderly. Meeting those needs is consistent with the Consolidated Plan findings and the need for additional family units and elderly units

[1] Annual CPD funding for the State varies each year. For Program Year 2014, that figure was $34,901,715.

remains strong.

B. Establishment of Housing Priorities

This HOME Action Plan seeks to ensure that, where economically feasible, every county in Alabama regardless of population size and other factors, will have an opportunity to compete for funding to address their unmet housing needs, with the understanding that respective county stakeholders be proactive toward a) providing additional funding sources and incentives as available, b) helping to remove regulatory and discriminatory barriers, and c) seeking experienced Housing Credit and HOME development partners to assist in creating housing solutions for their respective communities. AHFA has established certain housing priorities to be used in the distribution of HOME funds. AHFA seeks to promote the following housing priorities (not in order of preference) in the 2016 allocation cycle:

- Projects that add to the affordable housing stock;
- Projects, which, without HOME funds, would not likely set aside units for lower tenants, inclusive of tenants with disabilities and/or those who are homeless;
- Projects which use additional assistance through federal, state, or local subsidies; and
- Balanced distribution of HOME funds throughout the state in terms of geographical regions, counties, and urban/rural areas.

C. Application Criteria

AHFA is required to evaluate each application to determine which projects should receive Housing Credits. To facilitate the evaluation process, all applicants must complete the following basic steps:

1.) Submit a complete application to AHFA. All or portions of the application may be required to be submitted online. After applications are submitted, AHFA will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum, the following:

- All required AHFA-provided forms for current year application will be posted at www.AHFA.com prior to the beginning of the application cycle. AHFA will post these forms as they become available, and applicants should check www.AHFA.com regularly in order to begin work on the required forms as soon as possible. All AHFA-provided forms should be submitted with original signatures, legible, and all applicable spaces fully completed.
- All required third-party documents for example; organizational documents, financing Written Agreements and utility letters (see application checklist and the 2016 Multifamily Funding Application Instructions for the complete list of required documents as provided at www.AHFA.com prior to the beginning of the application cycle) are submitted and are acceptable in form and content to AHFA.

- All required AHFA-provided and third-party forms and documentation must be submitted in numerical order behind blue index pages (applicant must provide) in the application package. The application should not be in a binder or spiral binding.

After the completeness review, each applicant will be contacted via e-mail regarding any missing and/or incomplete items or documents described in this Section I(C)(1). Upon notice, applicants must submit all missing and/or incomplete items or documents (along with the required fee per missing/incomplete item as specified in Section I(D) within five (5) business days of notification by AHFA or the application will be terminated, and no further consideration will be given. The completeness check by AHFA will not extend to point scoring items (as referenced in Addendum A).

2.) Provide evidence that the project is a qualified affordable housing project for multifamily rental housing that meets the basic occupancy and rent restrictions required of Section 42 and HOME Regulations.

Multifamily rental housing projects must be on a single site or contiguous sites. Sites may be considered contiguous if separated only by one neighborhood street. Under the HOME Action Plan, mobile home developments, intermediate care facilities, group homes, and congregate care facilities do not qualify. In addition, any residential rental unit that is part of a hospital, nursing home, sanitarium, life-care facility, or intermediate care facility for the mentally and/or physically handicapped that is not for use by the general public and is not eligible for HOME funds. Projects must contain no fewer than 12 units and no more than 56 units.

Multifamily rental housing units must be under common ownership, deed, financing and property management.

3.) Provide evidence acceptable to AHFA that the proposed project meets the 2016 AHFA Market Study Certification requirements. The proposed rental project must meet AHFA's market feasibility and analysis requirements. The market study must be conducted by an independent third party market analyst that has conducted a market study for a prior application submitted to AHFA for Housing Credits, HOME funds or Multifamily Bonds or has received prior written approval from AHFA to submit a market study for the 2016 application cycle. The list of market analysts that have conducted studies for prior applications, 2016 Market Study Certification and other instructions are available at www.AHFA.com. The market study must, at a minimum, document the following criteria:

(i.) The project's market area must be clearly defined and reasonable;
(ii.) The supply analysis of comparable subsidized or non-subsidized developments must include, but not be limited to, vacancies, amenities and rental rates;
(iii.) The demand analysis must convincingly demonstrate a need for the proposed type of housing;

(iv.) The market feasibility of the proposed rent structure must demonstrate that there is a rent advantage over non-subsidized housing in the defined market area;

(v.) The analysis of the relationship between supply and demand must demonstrate a reasonable absorption rate; and

(vi.) The summary of important facts and conclusions as provided in the market study must include a statement from the market analyst clearly stating in the analyst's professional opinion whether the project as proposed will be successful.

The market study must demonstrate an adequate market for the proposed units and that the proposed project would not adversely impact any existing AHFA projects or create excessive concentration of multifamily units.

AHFA will review the market study submitted, in-house documentation collected from onsite compliance audits, market information submitted by the United States Department of Agriculture Rural Development (RD), audited financial statements, and owner submitted project budgets in order to determine if there is an adequate need for the proposed project. AHFA will terminate any application based on any one of the following market criteria:

(i.) The proposed project's capture rate is above thirty-five percent (35%).

(ii.) Active AHFA projects in the defined market area may have an overall average stabilized vacancy rate of fifteen percent (15%) or above. Active is defined as any AHFA project that is still in its applicable compliance period.

(iii.) The proposed market is determined to be a questionable market or the proposed project will have a clear long-term negative impact on an existing AHFA-funded development(s) in the same market.

(iv.) If any information submitted in the market study is determined to be incorrect or misleading.

4.) Demonstrate that the project is financially feasible. The project must meet certain financial feasibility requirements. See Section IV (E) (1) (iii) of this HOME Action Plan.

5.) Demonstrate adequate infrastructure capacity evidenced by the proposed project's utility documentation provided in the complete application.

6.) Demonstrate the likelihood of sustained 20-year affordability period with the HOME Regulations based on the following criteria: a) The market study demonstrates a need for the project as proposed, b) The application demonstrates that is the project is financially feasible as defined in Section II(E)(1)(iii) at the time of application and c) the owner and management company demonstrate their respective financial capacity and experience consistent with Section 42 requirements related to development and compliance guidelines.

D. Application Fees

The following fees, as applicable, must be paid with a business check or certified funds and made payable to Alabama Housing Finance Authority. Cash or personal checks will not be accepted:

1.) Application Fees:

a) At the Initial Application a $1,000 non-refundable fee along with other applicable fee(s) must accompany the application forms and third party reports required at the time of the initial application submission.

b) At the Final Application a $4,000 non-refundable fee must accompany the remaining application documents required for a final application submission. If either of the application fees is returned due to insufficient funds, the application will terminate.

A*n additional application fee will be due at the time of the initial application submission for application(s) that have ownership structures exceeding eight (8) individuals and /or entities. The amount of the fee will be $1,000 fee will be charged for each owner (individual/entity) exceeding eight (8). This fee does not apply to the investor limited partner.*

All application fees are non-refundable.

2.) Third-Party Fees: A minimum fee of $4,000 must be paid, at the time of the initial application submission, to pay or reimburse AHFA for any third-party costs incurred during the application review and analysis process related to the review of any third-party report(s) submitted by the applicant. Third–Party fees include without limitation, legal fees, architect and engineers' fees, consultant (construction, environmental or otherwise) fees, and report (construction, environmental or otherwise) fees, etc.

In addition, AHFA may in its sole discretion require applicant to provide advance or additional deposits, and to increase or replenish such deposits, in amounts sufficient to cover all third-party costs that AHFA reasonably anticipates incurring under this paragraph. These amounts must be paid by applicant within five (5) business days of the invoice date.

Within sixty (60) days of the completion of the allocation cycle, any unused portion of deposits collected will be returned to applicant without interest.

3.) Project Inspection Fee: A minimum fee of $5,000 must be paid, at the time of the initial application submission, for an on-site inspection(s) for each 2016 application which contains one (1) or more owner(s) with ownership in less than three (3) placed-in-service projects funded with Housing Credits or HOME funds awarded by

AHFA. The applicant must also provide, at the time of the initial application submission, a complete AHFA Schedule of Real Estate Owned for each owner.

Each such applicant owner(s) must consent to an on-site inspection by AHFA (or by AHFA's designated consultant) of any of such owner's existing projects, including physical inspections of building and units as deemed necessary by AHFA (or the AHFA designated agent). AHFA will select one (1) property for inspection for applicant(s) with less than six (6) non-AHFA projects and up to three (3) properties for inspection for applicant(s) with more than six (6) non-AHFA projects based on the AHFA Schedule of Real Estate Owned submitted by the applicant. For applicants with non-AHFA projects in the state and/or out-of-state, the project selected for inspection may be in Alabama or in another state. All applicant owner(s) will be subject to the same AHFA requirements defined in attached Addendum D during the 2016 application cycle. Any costs exceeding the minimum $5,000 deposit related to the required inspection(s) shall be paid by applicant to AHFA within ten (10) days of the invoice date. Any portion of the deposit that is not needed to complete the project inspection(s) will be returned without interest to the applicant within fifteen (15) business days after AHFA's allocation process is complete.

During the application process, AHFA reserves the right to waive the on-site inspection for any owner listed in an application if AHFA determines, in its sole discretion, there are sufficient and satisfactory on-site inspections for such owner's current projects that were performed within three (3) years prior to the date of owner's application in the 2016 application cycle and show that such projects were in compliance with AHFA requirements defined in attached Addendum D.

4.) Missing and/or Incomplete Application Document(s): A fee will be charged for each missing and/or incomplete application document(s). The applicant will be contacted with a list of missing and/or incomplete item(s) or document(s) by e-mail. The applicant will have five (5) business days from notification by AHFA to provide the required item(s) or document(s) and applicable fee(s). The fee(s) will be calculated based on the following:

Number of Missing and/or Incomplete Application Documents	Required Fee
5 or less	$1,500 per Item
6-9	$3,000 per Item
10 or more	Application Terminated

Any application with ten (10) or more missing and/or incomplete application documents will result in the automatic termination of the application by AHFA and the applicant will be notified by AHFA via email.

A complete list of AHFA's fees (from notification of approval of awards through the extended use period) is located at www.AHFA.com.

E. Amendments

AHFA is entitled to amend this HOME Action Plan as required by the promulgation or amendment of HOME Rules and Regulations from time to time. Such amendment(s) are expressly permitted and the making of such amendment(s) will require a public notice.

F. Uses of HOME Funds

HOME funds will be allocated primarily toward the production of residential rental housing for low-income households. AHFA anticipates receiving additional HOME funds from the repayment of previously allocated funds in the form of Program Income throughout the current Program Year. Those funds will also be allocated toward the production of residential rental housing for low-income households, and for other uses deemed necessary by AHFA, as long as the use is consistent with the Consolidated Plan.

A portion of the funds allocated to the State of Alabama is required to be reserved for Community Housing Development Organizations (CHDOs). Fifteen percent of HOME funds will be reserved for investments in housing owned by CHDOs. This is the percentage required by federal regulations for use by specific organizational types or activities. These HOME funds will be set aside for use by CHDOs in the form of loans for project construction and development. AHFA reserves the right in its discretion to award a sufficient number of projects to CHDO applicants, regardless of point scoring, to meet the 15% set aside of HOME funds. AHFA will make efforts to identify and assist eligible organizations in using HOME funds to meet the housing needs of the state. These organizations must meet the criteria identified by the Act and demonstrate the feasibility of their proposed endeavors. Alabama's HOME Program will utilize loans to promote the production of affordable housing in an effort to meet the needs as identified in the State's Plan. A general outline of the HOME Program is as follows:

Anticipated Uses of HOME Funds:

AHFA estimates the following uses of HOME funds for the State of Alabama:

2016 HOME Funds Received:	$ 8,121,398
USES	
Loans:	$ 6,091,049
CHDO Loans:	$ 1,218,210
Administration Fee	$ 812,139
2015 Uncommitted HOME Funds:	$ 409,347
Program Income Received:	$ 500,000 (Est.)
USES:	
Loans:	$ 909,347

G. Loan Structure

The structure of the loans made under Alabama's HOME Program will be determined based upon AHFA's assessment of the proposed project's ability to address the needs as identified by the Plan. HOME funds to be allocated to any project will not exceed the amount, determined by AHFA, needed to make the project economically feasible. The amount, terms and rate structure will be set by AHFA. General loan guidelines are as follows and are subject to change at AHFA's discretion:

1.) Loan Terms and Repayment: HOME funds will be allocated to the approved projects in the form of a loan. The loan will bear an interest rate of 1/2% accruing annually with deferred payments for twenty years. The principal and interest will be due at the end of the 20th year. In the event of default, AHFA reserves the right to set a default rate in excess of the prevailing Prime Lending Rate applicable at the time of the default.

2.) Eligible Activities and Costs: HOME funds will be used solely to fund new construction costs of rental units. Any additional costs associated with the development such as the demolition of existing structures onsite or offsite cost associated with the development will not be eligible for HOME funds.

3.) Eligible Participants: For-profit developers, CHDOs, non-profit developers or any entity eligible to receive an appropriation under Title II of the Act.

4.) Security: The loan may be secured by a first or subordinate mortgage on the land and the existing or proposed improvements. In addition, a collateral assignment of rents and leases will be executed in connection with the property. Additional collateral may also be required, but is subject to the discretion of AHFA based on the nature of the transaction involved.

5.) Guaranty: AHFA, in its sole discretion, may require that the loan be guaranteed by an individual(s) or entity acceptable to AHFA.

6.) Insurance: Appropriate insurance will be required in connection with the principal security as collateral for the loan. In addition, the applicant, developer and/or builder must evidence insurance coverage to include, but not be limited to, builder's risk insurance, general liability insurance, and loss of rents insurance.

7.) Good Standing: No loan application will be processed for any borrower or related entity which is not in good standing with AHFA and any other state housing finance authority, the Alabama Department of Economic and Community Affairs (ADECA), HUD or RD. An applicant can be denied consideration of the HOME funds under Alabama's HOME Program if the applicant or its related parties have a history of payment delinquencies, bankruptcy, foreclosure or activities determined to be unsound or unlawful.

8.) Closing Costs: The borrower is responsible for all closing costs incurred in connection with any HOME Program loan(s), inclusive of all AHFA-appointed attorneys' costs.

9.) Environmental Review: AHFA may select and engage an environmental professional at owner's expense to review and comment on the environmental report(s) submitted by the applicant. AHFA may also select and engage an environmental professional to complete a Phase I Environmental Site Assessment after a Written Agreement of HOME funds. Environmental reviews will be conducted in accordance with the applicable HOME Regulations and AHFA's Environmental Policy. Before AHFA can execute the HUD Form 7015.15 Request for Release of Funds, all environmental issues identified in the Environmental Site Assessment(s) must be cleared in a manner acceptable to AHFA.

10.) Survey: Loans closed under Alabama's HOME Program will require a survey of the property, which must be completed prior to closing, and contain a flood zone certification. The survey, in form and content, must be acceptable to AHFA.

11.) Declaration of Land Use Restrictive Covenants: Prior to closing, applicants must execute and record a copy of the Declaration of Land Use Restrictive Covenants agreement. The terms of the agreement will require that the covenants remain in effect for the required low-income occupancy period.

12.) Construction Consultant: AHFA will contract with an independent construction consultant who may: (i.) perform an up-front analysis of the construction budget to determine the reasonableness of costs as presented; (ii.) review the final plans and specifications of the project (during and upon the completion of the project) for compliance with AHFA's Design Quality Standards, applicable local, state and federal building codes and ordinances; (iii.) review specifications and make comments and/or recommendations regarding the quality of materials to be used in connection with the project; and (iv.) review work in progress and the completed project for any material defects and quality of work.

13.) Appraisal: Appraisals will be required on all loans and must adhere to applicable federal and state laws. The appraisal must be completed by an appraiser who is state-certified. AHFA will select and engage all appraisers.

14.) Applying For Funds: Applications for Alabama HOME funds may be made to AHFA during a competitive application cycle (funding decisions will be based upon the project selection criteria and point scoring system as detailed herein and Addendum A). If funds are available after the competitive application cycle; AHFA may consider an application under AHFA's Multifamily Housing Revenue Bond program for new construction application(s) that meets the HOME Plan, applicable Housing Credit Allocation Plan and Multifamily Housing Revenue Bond Policy.

15.) Existing HOME Loans: The full principal and accrued interest is due and payable on the maturity date specified in the projects loan documents. For projects unable to pay the full principal and accrued interest, AHFA will consider an extension. Project's not able to pay off 100 percent of the HOME loan (Principal and interest) or be approved for a fifteen (15) year extension of HOME loan balance will not be eligible for additional funding under any AHFA administered program.

IV. ALLOCATION PROCESS

A. Application Cycle

The dates of the application cycle (or cycles, if more than one) will be determined by AHFA on an annual basis. All individuals who have requested to be on the e-mail distribution list (see Section IV (B)) will receive notification of the cycle by e-mail. Notice of the cycle will also appear at www.AHFA.com and in no less than four newspapers throughout Alabama.

To apply for HOME funds, an applicant must complete the AHFA Multifamily Funding application which is available online at www.AHFA.com.

All correspondence and inquiries regarding the application are to be directed to the following:

Alabama Housing Finance Authority
Attn: Multifamily Division
P. O. Box 242967
Montgomery, Alabama 36124-2967
www.AHFA.com
ahfa.mf.application@ahfa.com

Phone Number: (334) 244-9200
Fax Number: (334) 279-6957

B. E-Mail Distribution List

AHFA maintains an e-mail distribution list for those interested in receiving notifications of application cycles and other AHFA Multifamily program activities. Visit www.AHFA.com to be added to the e-mail list or you may submit a written request to the address as specified in Section IV (A). Changes or updates to contact information are the responsibility of the provider and should be submitted in a timely manner.

C. Application Threshold Requirements

Although it is recognized that each application submitted is different, certain standard requirements must be met by all applicants before the application can be considered for full evaluation. Upon application submittal, if any threshold requirement is missing or fails to materially adhere to AHFA defined standards during the completeness review, the application will be rejected. If during the completeness review it is determined that additional information or clarification is required for any threshold item, AHFA will contact the applicant via email. When contacted, the applicant must respond within five (5) business days or the application will be rejected. Any additional information provided by the applicant must be satisfactory to AHFA and may be subject to the fees as outlined in Section III (D).

A list of all threshold requirements and explanations are provided below:

1.) Application Fee. The non-refundable application fee(s) described in Section III (D) must be paid in full and when due. If either of the application fees is returned due to insufficient funds, the application will terminate. All application fee(s) are non-refundable.

2.) Complete Application. The applicant must submit a complete application (see Section III (C)(1)) to AHFA. An application with ten (10) or more missing and/or incomplete documents will be terminated.

3.) Site Control. If the applicant does not already own the property for which funds are requested at the time of application, the applicant must have site control as evidenced by a purchase option. Because of regulations that impact the varying lengths of the approval process for each property and the significant risks to the applicant for failing to do so, AHFA requires that the applicant (i.) secure, at a minimum, a six-month purchase option with an option to renew for an additional six months and (ii.) if applicable, if the proposed site contains restrictions and/or any form of approval rights or review requirements from another entity, such as a home owners association, evidence all approval(s) must be submitted with the applicable form of site control in the application and (iii.) after application submittal and as applicable (see end of paragraph), obtain seller's written agreement that the seller shall not under any circumstances commence (or allow any other party to commence) any choice-limiting activity or other mitigation work at the project without the written permission of AHFA. Choice-limiting activities include, but are not limited to, acquiring, rehabilitating, converting, leasing, repairing, ground disturbance, or construction.

4.) Proper Zoning. The applicant must provide evidence that the property owned (or to be owned) is properly zoned and consistent with the proposed project's use. AHFA does not consider the property zoned if final zoning (not plans and specifications for issuance of building permits) is contingent upon further city meetings, approvals and/or advertisement. Evidence must be in the form of a signed statement from the local jurisdiction where the property is located.

5.) Market Study. The applicant must provide a market study at the initial application submission (except for Multifamily Tax-Exempt Bonds project, which will require a market study prior to execution of the commitment) and it must be less than six (6) months old. If the market study does not meet AHFA requirements, the application will terminate (see Section I(C)(3) for more detailed requirements).

6.) Design Quality Standards and Construction Manual. All projects are required to meet AHFA's Design Quality Standards and Construction Manual for construction of attached new construction rental units or for single-family rental homes. These are minimum standards and AHFA permits applicants to exceed these project standards. Each applicant may construct the proposed project in a manner that reflects applicant goals or that exceeds local building codes.

7.) Flood Certification. The applicant must provide a certified boundary Survey and Certification indicating the map and panel number of the Flood Insurance Rate Map, the Flood Zone designation and that no portion of the property is located within the 100-year flood plain. No portions of the site may contain wetlands including any portions not considered part of the site but necessary for ingress and egress to the site.

8.) Applications submitted in other Participating Jurisdictions. AHFA will not accept or consider an application(s) submitted in a city or county that is a HUD approved participating jurisdiction and receives its own allocation of HOME funds. The participating jurisdictions are listed on page 3 of the HOME Action Plan.

9.) Environmental Site Assessment. The applicant must provide an Environmental Site Assessment at the time of the initial application submission (except for Multifamily Tax-Exempt Bonds project, which will require an Environmental Site Assessment prior to execution of the commitment) along with the required third-party fee as defined in Section III (D)(4) The Environmental Site Assessment must meet the minimum AHFA's Environmental Policy Requirements (Addendum B). If the Environmental Site Assessment does not meet AHFA's requirements the application will terminate.

10.) Architect's Certification of Project Progress. The project's architect must certify that all building foundations slabs or crawl spaces are in place on projects that received a reservation letter for Housing Credits and/or HOME Written Agreement and/or Written Agreement in 2013 and 2014. Issuance of a Future-Year Binding Written Agreement does not change this requirement.

11.) Site Location. AHFA will not consider any application for a new construction project, if the proposed project is located within a two (2) mile radius of an AHFA project approved during 2014 and 2015 cycle that has not placed in service and is 90% or more occupied at the time of application.

Projects funded with Housing Credits only, Housing Credits combined with HOME funds and Multifamily Housing Bonds combined with Housing Credits will be included within the 2 mile radius requirement.

Radius is defined as a straight line extending from the centroid (geometric center) of a circle to the circumference. The radius must be determined by using a starting point at the center of the proposed project's site and measured using Geographic Information System (GIS) maps. The 2 mile radius for each project must be clearly defined in the market study.

The following is an exception to the 2 mile radius requirement:

Applications that contain financing through HUD's Choice Neighborhood, Replacement Housing Factor funds, Capital Fund Program funds and Promise

Neighborhood.

AHFA will provide reasonable assistance in determining occupancy of applicable projects, upon request. All information provided to applicants by AHFA may be based upon third party information reported to AHFA.

AHFA determination of occupancy is final and binding for all applicants. AHFA is not responsible for errors or omissions in occupancy reported.

Note: If a project has been awarded AHFA funds but returns the Housing Credits before the current application deadline, that project will not be considered in determining the 2 mile radius requirement.

12.) Extended Low-Income Use. All projects must commit in writing to extend the Housing Credits low-income set-aside an additional five (5) years beyond the fifteen (15) year compliance period to twenty (20) years. Therefore, projects will not be allowed to enter into a Qualified Contract until after the 20th year of the extended low-income use is complete, unless approved in writing by AHFA as part of the Qualified Contract process.

D. Negative Actions

Should any of the following actions occur after the application has been submitted and prior to approval by AHFA, consideration of the application will terminate unless otherwise provided below:

1.) Site change or alteration of any kind;
2.) Change in ownership--a change in the parties involved in the ownership entity (e.g., addition of a new general partner/member or removal of an existing general partner/member);
3.) Change in unit design, square footage, unit mix, number of units, number of buildings, etc. (unless changes are required by a local regulatory authority and/or codes);
4.) Change in the general contractor;
5.) Change in the management company;
6.) Change in the architect;
7.) If AHFA receives a determination from a Federal, State or local regulatory authority or agency of significant or uncorrected non-compliance on applicant's non-AHFA existing projects, AHFA may terminate the application;
8.) Any development team member listed in the application who has instances of excessive, flagrant, or uncorrected (within the time required by AHFA) non -compliance with AHFA, Housing Credit, HOME, Exchange, TCAP or Tax Exempt Bond regulations on existing projects;
9.) Any development team member listed in the application who is presently debarred, suspended, proposed for debarment or suspension, declared ineligible or voluntarily excluded from any transactions or construction projects involving the use of federal

funds or Housing Credits;

10.) Applicant has a project that goes into foreclosure or has been foreclosed within the last ten (10) years;

11.) Any material adverse change relating to the project or owner. AHFA will determine whether the change(s) is material and/or adverse in its sole discretion and further reserves the right to terminate an application;

12.) An applicant having a single project which received a reservation letter for Housing Credits and/or HOME Written Agreement/Written Agreement in , 2013, 2014, or 2015 which is neither complete nor has reached 90% occupancy at the time of application. Replacement Housing Factor funds and Capital Fund Program funds are exempt from this requirement;

13.) Applicant (including all development team members listed in the application) has any outstanding fees due to AHFA on other projects; and

14.) If Housing Credits are combined with HOME funds and the Environmental Site Assessment review by AHFA (or AHFA's consultant) identifies any unsatisfactory environmental condition that the applicant (or any owner of applicant) should have known about or failed to investigate fully prior to application submission.

The above list of negative actions is not all-inclusive. The application package itself will list other necessary requirements. AHFA will terminate consideration of an application if any information supplied in connection with the application is fraudulent, misleading, or materially incorrect. Determination of whether information is fraudulent, misleading, or materially incorrect will be determined by AHFA.

E. Application Evaluation

AHFA follows a competitive process by which all applicants are objectively scored according to criteria specified in the HOME Action Plan. AHFA strictly adheres to the policy and procedures of the HOME Action Plan. Efforts to influence the outcome of the application process through lobbying efforts either directly (by the applicant) or indirectly (via the efforts of third parties on the applicant's behalf), will be futile, considered as a violation of the HOME Action Plan and may result in the termination of the application. In addition, the applicant could be subject to civil or criminal liability. Each application must stand on its own merits.

1.) Process of Evaluation. Provided each applicant has met the threshold requirements in Section II (C), each application will be subject to the following evaluation process:

(i.) Completeness. The applicant must submit a complete application (see Section III (C)(1)) to AHFA.

(ii.) Point Scoring. The application will be evaluated using the Point Scoring System included in Addendum A. The applicant will not receive points, if the item(s) or document(s) required to qualify for points are missing and/or incomplete.

(iii.) Determination of Financial Feasibility. Once the application is point-scored, the project will then be evaluated to determine its financial feasibility, including its financial viability as a qualified low-income housing project throughout the credit period.

At minimum, AHFA will determine a proposed project to be financially feasible based on the following criteria:

a) the extent to which the project's sources of funds equals the project uses of funds;
b) the extent to which the proposed developer fee deferral can be paid within the time frame allowed by the Internal Revenue Service;
c) the reasonableness of total project costs, taking into account AHFA's hard and soft cost standards; and
d) the proposed repayment terms (including interest rate, total debt and loan term) for all proposed debt (hard and soft) in connection with the proposed project.

After this determination is made, AHFA will determine the financial feasibility of the project based on the lesser Housing Credit amount determined by AHFA or the amount requested by the applicant. Because AHFA is permitted to allocate only the resources necessary to make a project financially feasible, AHFA cannot and should not be expected to fund the full amount requested by an applicant. Therefore, AHFA will award Housing Credits based on the lesser of the amount requested by applicant or the Housing Credit amount that is determined by AHFA to be necessary to make a project financially feasible.

AHFA's determination of the appropriate amount of Housing Credits is not a representation or warranty as to the financial feasibility of such project, and may not be relied upon as such by the applicant, owner, developer, investor, lender or any other person. The amount of equity capital (net syndication proceeds) contributed by investors to a project partnership shall not be less than the amount generally contributed by investors to similar projects based on current market conditions. In the event that the project owner receives less equity proceeds than the amount which should be reasonably obtained based on prevailing market rates, AHFA will underwrite each project's projected equity proceeds based on the prevailing market rate. Any equity deficits will become the responsibility of the owner to contribute. In the event of a surplus in equity, AHFA may reduce allocated amounts at the time of actual cost certification to avoid over subsidizing the project.

Special purpose or high cost housing applications that exceed normal construction and soft costs of other applications received must be supported with other subsidy sources. AHFA fully expects that any proposed application submitted will include other subsidy sources if needed to leverage AHFA's limited Housing

Credit and HOME resources.

AHFA will require a minimum debt service coverage ratio of 1.20:1 for HOME development debt financing that would foreseeably result in foreclosure if not repaid. Debt service coverage is defined as the ratio of a property's net operating income (rental income less operating expenses and reserve payments) to forecloseable, currently amortizing debt service obligations. AHFA will determine the allowable operating expense based on historic and current HOME and Housing Credit properties' financial statements.

AHFA will require the project to establish and maintain throughout the extended-use period a minimum operating reserve. The operating reserve will be an amount equal to six months of the projected first-year operating expenses plus three months debt service.

AHFA will require the project to establish and maintain throughout the extended use period a minimum replacement reserve account of a) $250 per unit annually for new construction projects for the elderly, b) $300 per unit annually for all other projects.

Additional Underwriting Criteria and assumptions that are market driven such as interest rates, housing credit pricing, and project operating expenses will be released and discussed at AHFA's HOME/Housing Credit Application Workshop. The training will be held prior to the application cycle. The date of the training will be posted at www.AHFA.com and an e-mail notification will be sent to those on the current e-mail distribution list.

(iv.) Credit Worthiness. AHFA will perform credit examinations of the individual(s) and trade reports of businesses involved in the development and operation of the project. The applicant must provide sufficient documentation to obtain the required credit reports. If these reports prove to be less than satisfactory, including but not limited to the finding of federal tax liens, the application will be terminated.

(v.) Reasonableness of Project Costs. Any line item costs, square footage costs or total unit costs exceeding a range of reasonableness may be disallowed solely at the discretion of AHFA. Additional information and documentation (verified by AHFA and/or an AHFA designee) may be required to substantiate the reasonableness of the cost. Any allocation made will be determined using AHFA's assessment of cost. Any allocation of HOME funds cannot exceed the limits published by HUD. A list of applicable limits can be provided by AHFA.

AHFA reserves the right to request certification or verification in a form acceptable to AHFA of any line item cost at any time between the application cycle and final allocation of the HOME funds. When the project is placed in service, AHFA requires the actual cost certification to be made by an independent Certified Public Accountant.

2.) Frequency of Evaluation. Applications will be evaluated at least two times:

- At submission; and,
- Before the closing of the HOME loan.

F. Developer and Builder Fees

1.) Developer Fee. The developer fee, which includes the developer's overhead and profit plus consultant fees and the owner's profit, should not exceed 15% of the total project costs (excluding the developer fee).

2.) Builder Fee. The builder fee, which includes builder profit and overhead, should not exceed 8% of the construction costs, excluding the fee. General requirements must be cost-certified and, as a general rule, should not exceed 6% of the total construction costs. Items included in general requirements will be consistent with HUD and USDA Rural Development regulations.

G. HOME Funds Allocations

All AHFA issued Written Agreement for HOME funds to approved projects are contingent upon AHFA's receipt of an allocation of HOME funds from the U.S. Department of the Housing and Urban Development and subject to any change in applicable laws or regulations. Each approved Written Agreement may be reduced or terminated if AHFA does not have available the expected amount of HOME funds or if there is a change in applicable laws or regulations. AHFA shall have no liability whatsoever to any project owner if AHFA's Written Agreement for HOME funds to such project owner is impacted by a change in AHFA's HOME Action Plan or in applicable laws or regulations.

No related entities, principals or individuals shall be allocated HOME funds in excess of 20% of the state's 2016 HOME fund allocation. Regardless of the percentage ownership in a project, 100% of the project's HOME fund allocation will count towards all caps.

The intent of the HOME Cap is to promote fair and objective administration of the HOME program by ensuring that no single applicant can receive an excessive share of the available HOME funds in any application cycle. Parties that have an identity of interest are presumed to be sufficiently related for them to be treated as a single applicant for purposes of the Cap. As described below, AHFA may in its discretion, identify other parties whose relationship is sufficiently close to cause them to be treated as a single applicant for purposes of the Cap. A significant factor in the evaluation will be whether, based on the facts and circumstances, a primary purpose of a party's involvement in a project appears to be avoidance of the Cap.

For purposes of this paragraph, the following relationships constitute an identity of interest for purposes of identifying related parties in order to apply the Cap:

1.) Individual persons are considered related to each other (i.) if they have any of the following direct relationships: parent, child, spouse, son-in-law, daughter-in-law, father-in-law, and mother-in-law , including any such direct relationship created by marriage, remarriage, adoption, or any other legally recognized status, or (ii.) if one individual is an employer, by common law or otherwise, of the other.

2.) Entities are considered related to each other (i.) if any director, shareholder, partner, member, or any other type of owner of any entity would be considered a related individual (under item 1. above) to any director, shareholder, partner, member, or any other type of owner of another entity, (ii.) if the entity has the ability to control another entity, or (iii.) if the entity owns a material interest in another entity. An entity will be presumed to control another entity if it has a percentage of ownership in the other entity or the ability to appoint a percentage of the members of the other entity's governing body (i.e., board of directors, board of trustees, partners, managers, etc.) that would permit it to control the other entity either by operation of law or by agreement. A material interest means any ownership interest in excess of 20% of the stock, partnership interests, membership interests, or other forms of ownership of any entity; provided, however, that ownership interests held by Housing Credit investors, Housing Credit syndicators or special administrative partners or members shall be disregarded for purposes of 20% test.

3.) Without limiting the above, a trust will be considered related to an individual or entity if any trustee, trustor, grantor, settlor, beneficiary, permissible distributee, any person or entity serving a role similar to the foregoing, or any person holding power of appointment (general or limited) over trust property would be considered related to the individual or entity under items 1. or 2. above.

4.) Any other relationship which, while not specifically listed above, is determined to constitute an identity of interest because it is a relationship at least as close as an identity of interest described above or because it would permit an allocation that violates the intent of the ceiling.

H. Notification of Approval

Applicants may be notified of the award decisions via e-mail notification, by a letter of non-selection, or a Written Agreement. In addition, award recipients will be listed at www.AHFA.com. Applicants approved for an award will be issued a reservation letter and Written Agreement. The reservation letter will outline actions by which owners, if they accept the terms, must abide. Failure to abide by the terms of the reservation letter and Written Agreement will automatically terminate such reservation and Written Agreement.

Any applicants that are not selected for an award may schedule a conference call or meeting with AHFA staff to discuss the reasons their application was not selected for funding. The call or meeting must be scheduled and held within six weeks of the date of the notification letter from AHFA. Once the call or meeting has been concluded, AHFA will not have any further discussion regarding the application.

I. Progress Requirements After the Written Agreement

From the date of the Written Agreement, the applicant has the outlined time constraints set forth below in which to obtain the following items. All deadlines outlined in the Written Agreement will be enforced. Requests for extensions must be submitted on the AHFA-provided forms with the required fee assessments which are both found at www.AHFA.com. Failure to comply with any one of the deadlines (in whole or in part) and/or providing incomplete or unacceptable content of the required document(s) will cause the Written Agreement to be automatically terminated:

1.) Within 15 days of the date of the Written Agreement, the applicant must provide:

- (i.) The executed HOME Written Agreement acknowledging acceptance of the terms and conditions.
- (ii.) The executed HOME Partnership Written Agreement acknowledging acceptance of the terms and conditions.
- (iii.) The Management Plan (available at www.AHFA.com)
- (iv.) The Tenant Lease Agreement with the HOME Lease Addendum.
- (v.) The Affirmative Fair Housing Marketing Plan (available at www.AHFA.com).

2.) Within 30 days of the date of the Written Agreement, the applicant must:

Provide the Environmental Assessment Checklist (available on AHFA's website www.AHFA.com)

3.) Within 135 days of the date of the Written Agreement, the applicant must provide:

- (i.) Three (3) sets of sealed plans and specifications with an electronic copy on a compact disc, USB flash drive or otherwise instructed by AHFA.
- (ii.) A site-specific soils report bound within the specifications.
- (iii.) An ALTA/ACSM Certified Survey bound within the plans and specifications.
- (iv.) Standard AIA form of agreement between owner and architect.
- (v.) Paving recommendation letter from geotechnical engineer (available at www.AHFA.com)

4.) Within 165 days of the date of the Written Agreement, the applicant must provide:

- (i.) Certified organizational documents.
- (ii.) Construction cost estimate summary.
- (iii.) Detailed construction schedule.
- (iv.) Standard AIA form of agreement between owner and contractor (AIA form).

5.) Within 195 days of the date of the Written Agreement, the applicant must provide:

(i.) A copy of lender's executed construction note or agreement.
(ii.) Take full possession of the site as evidenced by recorded warranty deed.
(iii.) Original recorded Declaration of Land use Restrictive Covenants.
(iv.) A copy of the building permit.
(v.) Proof of construction commencement evidenced by copy of Owner's Notice to Proceed to project's General Contractor (AHFA form).
(vi.) Recertification of Real Property Acquisition Form (available at www.AHFA.com).
(vii.) Title Insurance Policy.
(viii.) A written Capital Maintenance Plan (CMP) for the project (available at www.AHFA.com).

6.) The owner must submit AHFA's HOME/Housing Credit Status Report which is due quarterly until the project is complete.

7.) If any unforeseen or unusual environmental condition(s) not otherwise identified after completing AHFA's environmental requirements is discovered with respect to a project that received an award of HOME funds, Housing Credits, or for both under this plan or for any prior year, and such unforeseen environmental condition(s) results in the inability of the project to Place-in-Service by the deadline established under Section 42, AHFA may elect to exchange the Housing Credits awarded to the project for a current or future year allocation of Housing Credits, subject to the applicant's payment of the environmental extension penalty specified at www.AHFA.com. herein and the applicant's compliance with Addendum B and with all other conditions specified by AHFA based on the specific nature of circumstances of the project.

8.) Within 180 days after the project is placed in service, the applicant must provide AHFA with the Actual Cost Certification package (Available at www.AHFA.com).

Construction on the project cannot begin until a pre-construction conference has been held with AHFA.

J. Negative Action After Notification of Approval.

Should any of the following actions occur after the notification of approval of HOME funds the award will be terminated unless otherwise provided below:

1.) Site change--a change from the original site location will not be allowed under any circumstances. Any change in the site configuration or size from what was originally proposed in the application must have prior written consent from AHFA;
2.) Change in ownership--a change in the parties involved in the ownership entity (e.g., addition of a new general partner/member or removal of an existing general partner/member) without prior written consent of AHFA. Examples of situations in which consideration may be given for a change in ownership

include, but are not limited to: death or bankruptcy. Any person or entity, including syndicators, that attempts to circumvent this requirement, may be subject to debarment from all AHFA programs;

3.) Change in syndication structure--a change in the role of the syndicator or in the distribution of funds/allocation to others through syndication as stated in the application without prior written consent of AHFA;

4.) Change in unit design, square footage, unit mix, number of units, number of buildings, etc. (unless changes are required by a local regulatory authority and/or regulatory codes);

5.) Change in the general contractor without prior written consent of AHFA;

6.) Change in the management company without prior written consent of AHFA;

7.) Change in the architect without prior written consent of AHFA;

8.) If AHFA receives a determination from a Federal, State or local regulatory authority or agency of significant or uncorrected non-compliance on applicant's non-AHFA existing projects, AHFA may terminate the application;

9.) Any development team member (listed in the application) who has instances of excessive, willful neglect, or uncorrected (within the time required by AHFA) non-compliance with AHFA, Housing Credit, HOME, Exchange, TCAP or Tax-Exempt regulations on existing projects;

10.) Any development team member who is presently debarred, suspended, proposed for debarment or suspension, declared ineligible or voluntarily excluded from any transactions or construction projects involving the use of federal funds or Housing Credits;

11.) Applicant has a project that goes into foreclosure or has been foreclosed in the past ten years;

12.) Any material adverse change relating to the project or owner. AHFA will determine whether the change(s) is material and/or adverse in its sole discretion and further reserves the right to terminate the award based on the effect of said change(s) in comparison to original application approved by AHFA;

13.) Any development team member(s) listed in the approved application have outstanding fees due to AHFA; and

14.) If Housing Credits are combined with HOME funds and the Environmental Site Assessment review by AHFA (or AHFA's consultant) identifies any unsatisfactory environmental condition that the applicant (or any owner of applicant) should have known about or failed to investigate fully prior to application submission.

The above list of negative actions after reservation is not all-inclusive. The Written Agreement itself will list other necessary requirements. AHFA will terminate the Written Agreement if any information supplied in connection with the project is fraudulent, misleading, or materially incorrect. Determination of whether information is fraudulent, misleading, or materially incorrect will be determined by AHFA in its sole discretion.

K. Change in or Denial of HOME Allocation

The application evaluation described in Section IV (E)(2) of the HOME Action Plan may result in a possible change in the amount of HOME funds allocated to a project or denial of the total allocation altogether due to, but not limited to, one of the following reasons:

1.) Information in the application submitted is determined to be incorrect or fraudulent;
2.) Conditions in the Written Agreement are not met;
3.) Changes in the actual cost of the project;
4.) Applicant obtains additional subsidies or financing other than those disclosed in the application; and/or
5.) Applicant's failure to notify AHFA promptly of any material or adverse changes in the original application. Material or adverse changes include, but are not limited to, applicant's loss of site control, rights of way, ingress and egress, adverse change in the financial condition of the applicant, and applicant's inability to perform tasks proposed in the application by the deadline set by the applicant and further set or agreed to by AHFA.

L. Disclosure

AHFA will attempt to request all information necessary to make informed decisions regarding HOME allocations. Therefore, it is in the best interest of all parties involved with the process to disclose completely and accurately all information regarding each proposed project. AHFA acknowledges that errors and misjudgment sometimes occur and simply requests that the applicants notify AHFA of any errors that may occur upon discovery.

V. ADMINISTRATIVE OVERVIEW

A. Alabama Housing Finance Authority (AHFA)

AHFA is a public corporation and instrumentality of the State of Alabama, organized pursuant to the provisions of Title 24 Chapter 1A of the Code of Alabama, as revised. AHFA was established as the housing finance entity for the State in 1980. Since its inception, AHFA has issued mortgage revenue bonds in excess of $2.6 billion for the financing of more than 48,000 single-family homes, and nearly $849 million in multifamily bonds for the production of some 110 complexes. Additionally, AHFA has issued nearly $209 million in Housing Credits to fund 715 projects with over 38,000 units and over $ 308 million in HOME funds to construct 288 projects with over 11,500 units.

Currently, AHFA has an experienced staff of employees with many having 10-20 years of commercial banking, mortgage banking or accounting experience. AHFA staff includes experienced commercial real estate and construction lenders, mortgage bankers, accountants and support personnel. The multifamily staff, responsible for the HOME Program, has experience in dealing with other federal programs, which include the Housing Credit and Multifamily Bond Financing Programs. The single-family staff administers a number of programs including the Mortgage Revenue Bond program, the Mortgage Credit Certificate program, the Down Payment Assistance program, the Step Up program, the Rural Alabama Mortgage program, the Building Blocks to Homeownership program, and the Habitat for Humanity Loan Purchase program.

AHFA has the necessary computer hardware and software programs required to properly administer and service loan transactions in connection with the HOME Program. Hardware components consist of a personal computer local area network with multiple large-capacity file servers with the capacity to run mortgage loan servicing software packages.

B. Administrative Policies and Procedures

AHFA's administration of the HOME program includes, but is not limited to, the following functions: accounting, loan processing, loan servicing, administration, compliance, investments, and disbursement of funds. AHFA will be compensated for any and all expenses incurred in performance of its duties (inclusive of those duties for which AHFA may subcontract) through draws from available administrative funds in the HOME account.

The State of Alabama, as a Participating Jurisdiction, is responsible for ensuring that HOME funds are used in accordance with all program requirements. AHFA, acting in its capacity as Administrator of the State of Alabama's HOME program, AHFA's Board of Directors, officers, employees and agents will not be held responsible or liable for losses incurred from claims, suits, damages, and costs and expenses of any kind or of any nature that the HOME program may suffer, incur or pay arising out of decisions by AHFA concerning any application, loan decision(s), or action(s) associated with the administration of the HOME Program unless said responsibility or liability is specifically contained within the Act.

1.) HOME Disbursement Accounts

Two accounts have been established to administer Alabama's HOME Program. The first account, the HOME Investment Trust Fund, is established in the United States Treasury and managed through HUD's Integrated Disbursement and Information System (IDIS). The second, Alabama's HOME Account, is established and utilized by AHFA as a deposit and disbursement account of HOME funds. HOME funds from the federal government, interest earnings and repaid principal will be deposited and disbursed from this account. All HOME related funds in this account will be kept separate from other accounts maintained by AHFA. AHFA may establish other administrative accounts, which are allowed under Title II of the Act.

Once a project has been approved for funding, and all of the conditions required to be satisfied prior to the execution of the HOME Written Agreement have been satisfied, an account for said project will be established in IDIS. Requests for HOME funds will be made to the IDIS by AHFA or its designee.

2.) Administrative Duties

(i.) <u>Audits and Reviews:</u>
AHFA, as administrator, may conduct reviews and audits of recipients as may be necessary or appropriate to determine compliance with the rules and regulations of Title II of the National Affordable Housing Act. An accounting firm chosen by AHFA will conduct required external audits of Alabama's HOME program.

(ii.) Monitoring:

AHFA will monitor each designated recipient of HOME funds for compliance with occupancy and use restrictions. The scope and frequency of monitoring activities will meet or exceed the minimum requirements of the specific program as outlined in the Act or regulations. See Compliance Section VI.

Recipients of HOME funds must comply with the reporting requirements as defined in 24 CFR Section 92.508 and are responsible for providing AHFA with the information necessary to complete the annual reporting requirements. Recipients must report all instances of non-compliance to AHFA at P. O. Box 242967, Montgomery, AL 36124-2967 and the HUD office in Birmingham, Medical Forum Building, 950 22nd Street North, Suite 900, Birmingham, AL 35203.

VI. COMPLIANCE

A. Minority and Women's Business Outreach

As required in Section 281 of the HOME Investment Partnerships Act, AHFA will work to involve minority and women's business enterprises whenever possible. In an effort to comply with these requirements, AHFA has obtained from the Alabama Small Business Development Consortium, 1717 11th Avenue South, Suite 419, Birmingham, Alabama 35294, a list of eligible businesses for use by potential recipients of State HOME funds. AHFA will continue to work with this office to update and expand this list for use with the HOME Program.

AHFA will maintain a record of reported activities of Minority- and Women-Owned Businesses involved in the HOME Program.

B. Equal Opportunity and Fair Housing

Affirmative marketing procedures will be utilized so that no person in the United States shall, on the grounds of race, color, national origin, religion, or sex, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity funded in whole or in part with funds made available under Alabama's HOME Program. Recipients of Alabama's HOME funds must adhere to the requirements of the Fair Housing Act and the Age Discrimination Act of 1975. AHFA will maintain records, whenever possible, of the percentage of low-income units occupied or purchased by minority and single parents.

All loan applicants or local units of government applying for Alabama HOME funds must certify in the application that they will adhere to the affirmative marketing procedures (as defined in 24 CFR Section 92.351). Records concerning the characteristics of tenants renting HOME assisted units must be maintained by the owners; and supplied to AHFA on an annual basis. AHFA will analyze this data to assess the success of the owner's affirmative marketing procedures. AHFA will give additional preference points to those applications, which evidence the participation of minorities in connection with the project.

C. Section 3 Economic Opportunities for Low – and Very Low-Income Persons

As required by Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, recipients of HOME funds must ensure that employment and other economic opportunities generated by housing development must be directed toward low- and very low-income persons.

D. Environmental Review

AHFA will conform to the Environmental Review requirements of Title II of the Act.

E. Matching

NOTE: The State of Alabama is typically required to match a portion (twelve and one-half percent) of annual HOME funds. This match may be derived from several possible sources including the donation of land by localities, the donation of voluntary skilled or unskilled labor, sweat equity, the use of tax exempt bond proceeds, the value waived of property taxes by localities, cash injections by localities, and any other source which may be determined at a later date. Additionally, a number of AHFA programs (Down Payment Assistance, Habitat for Humanity Partnership) provide financial assistance to HOME-eligible Alabama households and a portion of this funding may count as match. The use of any possible state funds would require an appropriation by the legislature. Specific sources and the amount of possible funds available to meet the matching requirements for a program year will be determined prior to any draw of HOME funds. A HOME recipient may be required to provide a "Match" source to close their project.

For 2002, HUD granted a full waiver of the match requirement due to the State of Alabama's designation as a Participating Jurisdiction in *severe financial distress*. Specific waivers for subsequent program years may also be granted if an Alabama county is listed as a presidentially declared disaster area.

F. Occupancy and Rent Requirements

In HOME and Housing Credit residential rental projects at least 20% of the units must be occupied by households with incomes at or below 50% of median family income and the rent must be restricted at or below the 50% rent level or Section 8 Fair Market Rent, whichever is less. The remaining units must be occupied with households with incomes at or below 60% of median family income and the rent must be restricted at or below the 60% rent level or Section 8 Fair Market Rent, whichever is less. HOME income limits and rent limits are calculated annually by HUD's Office of Policy Development and Research (PDR), once the Section 8 income limits have been issued.

G. Compliance Monitoring

The compliance monitoring procedures apply to all buildings placed in service in Alabama, which have received allocations of HOME funds as determined under the HOME Regulations. A complete outline of AHFA's compliance requirements is located in AHFA Compliance Manual available at *www.ahfa.com*. A description of AHFA's basic compliance monitoring procedures and requirements are described per the attached Addendum E.

VII. AMERICAN DREAM DOWNPAYMENT INITIATIVE

American Dream Downpayment Initiative (ADDI)

ADDI is a HOME Program-based funding source for the provision of down payment assistance to eligible first-time homebuyers. AHFA serves as administrator of the State of Alabama HOME Program and the State of Alabama ADDI Program.

The initial allocation of ADDI funds to the State was approximately $1,463,919 -- 2003 HUD-appropriated funds totaling $671,691 and 2004 new funding totaling $792,228. Each source had its own separate requirements.

ADDI Funds

The State of Alabama has not received an new allocation of funds since 2009. Should the program continue to be funded, AHFA will continue to use these funds to provide down payment assistance throughout the State. The per-family assistance shall not exceed $10,000 in the form of a grant or a forgivable loan.

Families and households eligible to receive ADDI funds must (a) earn 80% or less of the Area Median Income (AMI) per HOME guidelines, (b) have less than $4,000 in liquid assets at the time of loan application through the date of closing, (c) complete a homeownership counseling course provide by a HUD-approved counseling agency or any other AHFA-approved homeownership counseling course, and (d) meet lenders credit requirements.

Outreach and marketing efforts for ADDI will be conducted by AHFA and its many business partners such as the Homebuilders Association of Alabama, the Mortgage Bankers Association of Alabama, the Alabama Association of Realtors, the Alabama Federation of Housing Counselors and Agencies, and the Consuming Credit Counseling Services of Alabama.

ADDI Recapture Provision

If at any time during the five-year affordability period, the original homebuyer sells, trades, transfers title or otherwise ceases to occupy the home as their primary residence, the homebuyer will be subject to recapture and must pay back the funds as deemed applicable. ADDI recapture is assessed on a reduced prorated basis of 20% per complete year, except in cases of non-compliance, which requires 100% of the ADDI funds to be repaid. Non-compliance for ADDI means that the homebuyer was not eligible for the ADDI funds at the time of the application. Non-compliance would result if the program criteria such as prior ownership, family income limits, sales price limits, and occupancy of residence during the affordability period are not met and this information was not properly disclosed. Any recaptured funds paid back to AHFA will be returned to the ADDI allocation and used to assist other qualifying homebuyers.

Addendum A

Alabama Housing Finance Authority's
2016 Point Scoring System

The point scoring system will allow AHFA to award points to projects that best meet the identified housing priorities for the State of Alabama. The point scoring system will rank each project in two sections (Points Gained and Points Lost). The ranking of the project will be determined by taking the Points Gained section and deducting the Points Lost section to get an overall project score. The point scoring system will largely determine which projects should be awarded. Applicants will be required to score their applications using the 2016 HOME/Housing Credit Point Scoring form provided by AHFA. This point scoring form must be submitted to AHFA as part of the application package.

Any points gained category referenced herein or in other sections of the 2016 QAP or the 2016 HOME Action Plan are specific to the 2016 program year and may not be carried (or brought) forward to (or from) any future (or past) program year by any entity, individual or application.

AHFA has established a housing priority in order to achieve a balanced distribution of Housing Credits and HOME funds throughout the state in terms of geographical regions, counties, urban, and rural areas. AHFA will achieve this priority by allocating Housing Credits and HOME funds, generally to only one project per county. This allocation methodology, used over time, has helped to ensure that counties and cities across the state have received a share of AHFA allocation of funds proportionate to their respective populations. Please note that applicants applying for Housing Credits with HOME funds combined are for new construction projects only, therefore the rehabilitation points described in this Point Scoring System are not applicable.

Project Selection Procedures:

<u>Awards Selection:</u>

1. The highest scoring project per county with ownership by an AHFA-approved CHDO will be funded until the regulatory 15% CHDO set-aside has been met.

2. The highest scoring HOME project combined with Housing Credits and/or Housing Credit project will be awarded per county until all HOME and Housing Credit funds have been allocated.

Projects with a net score of less than 75 points (Points Gained less Points Lost) will not be considered for awards.

In the event of a tie between two or more applications the projects will be ranked in the following order to determine which applicant will receive priority:

1. In the event there is a tie in scoring among two or more applications, then a recommendation will be made for the application that has the least amount of aggregate participation by any one

owner. Aggregate participation is defined as the total of all Housing and HOME/Housing Credit applications recommended for awards in the current application cycle.

2. If a tie(s) still remains, priority will be given to the owner who requested the least amount of Housing Credits per unit.

3. If a tie(s) still remains, priority will be given to the application based on the following owner performance criteria as sequenced:

a. The owner who has not had an additional on-site inspection performed in the prior calendar year and does not have an additional on-site inspection scheduled on any existing AHFA-funded project.
b. The owner who has not requested a third extension (as defined in the 2015 Housing Credit QAP) on any 2015 AHFA-funded project.
c. The owner who has not returned their full allocation of AHFA HOME funds or Housing Credits in the prior calendar year through the date of allocation of 2016 funds.

4. If a tie(s) still remains, priority will be given to the project which is located in a Qualified Census Tract and is supported by its respective governmental entities approved Revitalization plan.

5. If a tie(s) still remains, priority will be given to the application for a project that is intended for eventual tenant ownership. The project must consist of single-family homes, duplexes, or townhomes to be eligible. The applicant must complete the AHFA-provided Homeownership Conversion Proposal and provide a plot plan in form and content acceptable to AHFA.

6. If a tie(s) still remains, priority will be given to the applicant whose application received priority status in accordance with the drawing for applications that are submitted by 11:00 a.m. (Central) on the first day on which the final application may be submitted. The drawing will be held as soon as practical in AHFA's boardroom that same day to determine the order of awards in the event of a tie. An impartial person will be selected to draw. The drawing will be open to the public and the results will be posted on AHFA's website.

AHFA reserves the right to deny a Housing Credit reservation to any applicant or project, regardless of that applicant's point ranking if, in AHFA's sole determination, the applicant's proposed project is not financially feasible or viable. Additionally, AHFA may recommend that a Housing Credit reservation be awarded out of the ranking order established by the points earned, based on the amount of Housing Credit allocation needed relative to the amount of awards available for the project to be financially feasible.

Regardless of strict numerical ranking, the scoring does not operate to vest in an applicant or project any right to a reservation or allocation of Housing Credits in any amount. AHFA will in all instances reserve and allocate Housing Credits consistent with sound and reasonable judgment, prudent business practices and the exercise of its inherent discretion.

A. POINTS GAINED

1.) <u>Project Characteristics</u> (Maximum 74 Points)

(i.) <u>Type of Construction</u> (Maximum 33 Points)

(a.) A maximum of 25 points will be given to projects which provide extra unit/project amenities. Refer to the application for distinction between an *extra* amenity and a *required* amenity. Only the amenities listed below will be eligible for points.

<u>4 Points will be given for each of the following amenities:</u>

- Clubhouse/Community Building/Community Room *(must have at a minimum a kitchen, community meeting room, restrooms, community TV with cable, satellite or streaming services with a minimum of 42 inch screen TV, and wireless internet service. A community laundry must be included if not providing a washer/dryer in each unit and the community laundry must contain 1 washer and 1 dryer for every 15 units proposed in the project.*
- Washer/Dryer provided in each unit *(3-7 cu. ft. capacity)*
- Exterior Security Package *(Must include all of the following: cameras, alarms and lighting that will provide adequate monitoring and coverage of the entire property)*
- Unit Security Package *(Each unit must have an alarm on all entry doors and windows)*
- Storm Shelter *(Must meet the International Code Council National Storm Shelter Association Standard for the Design and Construction of Storm Shelters (ICC-500 August 2008) Standards)*
- Playground *(Must provide commercial grade playground equipment with a minimum of three (3) play activities)*
- Outdoor Fitness Activity Area – *(must provide commercial grade outdoor fitness equipment as further defined in the application instruction s with a minimum of three (3) exercise activities)*
- Covered Picnic Pavilion – *(with a minimum of two (2) tables with attached bench seating and two (2) grills)*

<u>3 Points will be given for each of the following amenities:</u>

- Computer center *(two or more computers with printer and internet access)*
- Splash Center

- Exercise/Fitness room with equipment *(Must provide a minimum of three (3) separate types of commercial grade exercise/fitness equipment with adequate floor space to qualify for points)*
- Covered bus stop shelter *(Must be separate/independent of the mail kiosk unless location allows for proper access of bus to pick-up and drop off)*
- Gazebo *(with a minimum of one (1) picnic table with attached bench seating)*
- Access Gate *(Must be on all entry points of project if more than one)(Must be closed during specified times at night)*
- Walking Trail with Benches *(5 feet wide concrete and minimum of ¼ of mile long)(must be separate of required sidewalks)*

<u>2 Points will be given for each of the following amenities:</u>

- Basketball court *(break-away rim and shatter-proof backboard)*
- Picnic area with grills *(one (1) grill (permanently fixed) one (1) picnic table with attached bench seating for every fourteen (14) units. proposed in the project) or Rooftop area with one (1) picnic table with attached bench seating for every fourteen (14) units. proposed in the project)*
- Storm doors
- Emergency Pull Cord/Call Button
- A car wash station *(at a minimum the car wash station must include a dedicated space, wall/ceiling boom with spray wand and fixed mount vacuum)*

New Construction Projects Only (Maximum of 8 Points)

(b.) 4 points will be given for storm windows; thermal break insulated windows or extruded vinyl windows and insulated exterior doors. Windows must be Energy Star Rated.

(c.) 4 points for full brick/cementitious siding, stucco, cultured stone or concrete masonry unit (CMU) products *(no Exterior Insulation Finishing System is acceptable)*.

Multifamily units *(two or more units in a building)*
A minimum of 40% of each building, defined as the exterior façade from finished grade elevation to eave line, shall be brick. The remaining 60% can be cementitious siding, stucco, or CMU products. The CMU products must be decorative, textured, patterned, color core, or painted. All entry areas into the apartment including covered breezeways, porches, balconies, and patios must have brick, cementitious siding, stucco, cultured stone or CMU to

be considered full brick.

Single-family units *(single unit/detached building)*
A minimum of 50% of the building, defined as the exterior façade from finished grade elevation to eave line, shall be brick. Each exterior wall must contain brick up to the bottom of the first floor windows on a two-story unit or the window sill of a one-story unit. The remaining 50% can be cementitious siding, stucco, cultured stone or CMU products. The CMU products must be decorative, textured, patterned, color core, or painted.

~~Rehabilitation Projects Only (Maximum of 8 Points)~~

~~(d.) 2 points will be given for replacing all entry doors with insulated exterior doors and replacing all windows; thermal break insulated windows or extruded vinyl windows. Windows must be Energy Star rated.~~

~~(e.) 2 points will be given for replacing all kitchen cabinets and countertops.~~

~~(f.) 2 points will be given for replacing all plumbing fixtures.~~

~~(g.) 2 points will be given for replacing all HVAC equipment~~

~~All points for rehabilitation construction items will be verified by the Capital Needs Assessment and Architect's Certification submitted. Both documents must be certified by the project Architect.~~

(ii) <u>Energy/Water Conservation and Healthy Living Environment</u> (Maximum of 8 Points)

(a.) 4 points will be given for HVAC of 15 SEER (HSPF 9.0) or above.

(b.) 4 points will be given for the kitchen range hood ventilation to be vented to the exterior and equipped with a damper.

(c.) 4 points will be given for EPA's Partnership Program "WaterSense" labeled water closet, faucets (bathroom and kitchen) and showerheads.

(d.) 4 points will be given for the use of Energy Star rated "cool roof" shingles or metal roof with a fifty (50) year warranty.

(iii.) <u>Rent Affordability</u> (Maximum 7 Points) (a.) A maximum of 7 points will be given to projects, which have a commitment for additional subsidies from the Federal Home Loan Bank for Affordable Housing Program (AHP) funds (AHP funds must be in the form of a grant), Federal Historic Tax Credit, Alabama Historic Rehabilitation Tax Credit, HOME funds (AHFA's HOME funds do not qualify), USDA Rural Development 515 funds, CDBG, CDBG Disaster Funds administered from Alabama Department Economic Development, HUD CDBG Disaster Funds, Rental Assistance Demonstration funds, Neighborhood Stabilization Program funds, Capital Fund Program Grant, Replacement Housing Factor Fund Grant, CHOICE Neighborhood funds, Promised Neighborhood funds, NeighborhoodWorks Capital Grant, Home Depot Foundation Grant and HUD's Economic Development Initiative program funds allocated through the Community Development funds. The commitment must be a fully executed firm commitment from the applicable entity that will be granting the funds to project.

To qualify for points for receiving additional subsidies (meeting the above criteria), if the funds are loaned (required repayment) or granted to the project, at least 50% of the total amount of funds committed for points must remain as a permanent source of funds.

7 points - $16,001+ per unit
6 points - $12,001 - 16,000 per unit
5 points - $8,001 - 12,000 per unit
4 points - $4,000 - 8,000 per unit

(iv.) <u>Tenant Needs</u> (Maximum 4 Points)

(a.) 1 point will be given to projects with 100% of the units in the project designed, equipped and set-aside for elderly.

(b.) 1 point will be given to projects targeting low-income families (individuals with children) with a minimum of 15% of the low-income units having three or more bedrooms. If an applicant chooses 100% elderly, the applicant *will not* receive points for three or more bedrooms. Rehabilitation of existing multifamily rental units must already have the required three or more bedrooms to receive the points.

(c.) 1 point will be given to projects that set-aside 5% of the total units for tenants with disabilities or homeless populations. The units must be actively marketed and rented to households with at least one tenant with a disability or a tenant transitioning from being homeless. An approved marketing and preference plan will be required at the time of the final application.

(d.) 1 point will be given to projects which have committed in writing to target households on the public housing waiting list.

(e.) 1 point will be given to projects which provide at a minimum 5% of the dwelling units be designed and constructed to be readily accessible to individuals with mobility impairments. An additional 2% of the dwelling units must be accessible to individuals with sensory impairments (i.e. hearing or vision impairments).

(v.) Readiness Issues (Maximum 5 Points)

A maximum of 5 points will be given to applicants with evidence of attendance at the AHFA-sponsored HOME/Housing Credit Application Workshop. For applicants that have not closed an AHFA HOME loan and/or received IRS Form 8609 from AHFA on a prior project, the Workshop attendee must be an owner, an officer, executive director or a principal of the ownership entity in the proposed application in order for the applicant to qualify for the points.

3 points will be given if one of the applicant's owners listed in the application provides AHFA's Certificate of Attendance.

2 points will be given if an applicant's contact person listed on the application provides AHFA's Certificate of Attendance.

(vi.) Project Type (Maximum 5 Points)

~~(a) 4 points will be given for the rehabilitation of a project with an existing AHFA HOME loan that matures prior to or within the year covered by the applicable QAP. In order to be eligible for these points, the proposed project must have paid 100% of the HOME loan (principal and interest) or received an AHFA approved 15 year extension of the HOME loan.~~

~~(b.) 1 point will be given for rehabilitation of existing buildings that provides sufficient evidence that the project qualifies for the Alabama Historic Rehabilitation Tax Credit or Federal Historic Tax Credit.~~

(c.) 1 point will be given for rehabilitation of existing multifamily residential rental housing, replacement of multifamily housing or replacement of previously existing multifamily housing. Previously existing multifamily housing is defined as multifamily housing that has been removed within the last 2 years or will be removed for new replacement housing on the same site.

(vii.) Location (Maximum 12 Points)

(a.) Points Gained for Site Selection

(1) Neighborhood Characteristics (Maximum 10 Points)

2 points will be given for the following services located within 2 miles of the site. Distance will be measured by odometer from the automobile entrance of the proposed project site to the closest automobile entrance to the parking lot of the applicable service. Projects located in a federal declared disaster county may receive points for services, if the service is currently under construction and funded in whole or part by Federal or State disaster funds. The applicant must provide sufficient evidence of both requirements. Duplicate services will not be eligible for additional points. Points will only be given for the services listed below. (Neighborhood Services defined in the Application Instructions)

Grocery Store	Pharmacy or Drug Store
Convenience Store	Bank or Credit Union
Hospital or Doctor Office	

(2) Census Tract Location (2 points)

A maximum of 2 points will be given to a project located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2015 Annual Median Family Income published by HUD:

1 point for 80% to less than 100%
2 points for 100% or more

(b.) Points Deducted for Site Selection

(1.) Negative Neighborhood Services (No Maximum)

There is not a limit on the amount of points that can be deducted for negative neighborhood services.

5 points each will be deducted if any of the following incompatible uses are adjacent to the site. Adjacent is defined

as nearby, but not necessarily touching. The following list is not all inclusive. (Negative Neighborhood Services defined in the Application Instructions)

Junk yard or dump	Pig or chicken farm
Salvage yard	Processing plants
Wastewater treatment facility	Industrial
Distribution facilities	Airports
Electrical utility Substations	Prison or Jail
Railroads	Solid waste disposal
Adult video/theater/live entertainment	

**Please note: An exception may be allowed for rehabilitation of existing multifamily units, replacement of public housing authority owned units with new construction or historic properties located near a railroad, provided a noise mitigation plan (subject to HUD standards) is presented at the time of application. The findings of the study must be acceptable to AHFA in all respects.*

2 points each will be deducted if any of the following incompatible uses listed are within .3 mile of the site. The list is not all inclusive.

Junk yard or dump	Pig or chicken farm
Salvage yard	Processing plants
Wastewater treatment facility	Airports
Prison or Jail	Solid waste disposal

Points will not be deducted for a prison, jail, or detainment facility if it is co-located with a law enforcement office.

(2.) Accessibility (Maximum 2 points Deducted**)**

2 points will be deducted if the condition of the streets and sidewalks are unsatisfactory. The width of the streets and the difficulty of access to the proposed site will be taken into consideration.

2.) Applicant Characteristics (Maximum 20 Points)

(i.) 5 points will be given to applicants with participation of minorities or women. To qualify for the points for participation of minorities or women, the application must meet one of the following requirements:

- Minorities or women have ownership in the project;

- Applicant/Owner guarantees at least 10% of the total building cost is awarded to minority- or women-owned businesses.

In all cases, the minority or female individual(s) must have at least a 50% ownership interest as the project's general partner or 50% ownership interest in the participating business to qualify for the points. These businesses include, but are not limited to, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services. The name and address of the company and the anticipated contract amount must be listed at the time of application on the form provided by AHFA in the application package in order to receive the points.

(ii.) 5points will be given to owners (individual(s), shareholders, members, corporation(s), or in the case of a limited partnership, the general partner(s)) who have previous successful experience in the development of multifamily housing since 2005.

Special limited partners do not qualify for these points*. Mobile home developments, hospitals, sanitariums, life care facilities, or intermediate care facilities are not considered multifamily housing for purposes of qualifying for points. The owner may include experience gained as an owner in another firm, but not as an employee of another firm. Applicants must currently own the properties listed for development points.*

5 points (500+ units or 5+ projects)

(iii.) 10 points will be given to applicants with sound experience as managing agents of low-income multifamily housing. This experience is defined by the highest number of units currently managed. Only those units in projects that are considered low-income units will be counted in this total.

10 points (1000+ units or 10+ projects)

B. POINTS LOST

In addition to the points gained, each application submitted by an owner(s) may be subject to point(s) deductions. Point deductions resulting from each existing AHFA-funded project (approved and/or placed-in-service) will be based on AHFA's QAP and HOME Action Plan for the applicable year and will cover compliance with AHFA documents, executed agreements, audits and inspections from January 1st through December 31st of the year immediately preceding the current QAP or HOME Action Plan Year. Points lost will be assessed on the following:

1.) Existing AHFA-Funded Project(s) Approved and/or Placed-In-Service
(No Maximum Loss of Points)

(i.) 5 points (for each occurrence) will be deducted if an owner(s) listed in the application made a change from an approved project's original application without prior written consent from AHFA.

(ii.) 5 points (for each occurrence) will be deducted if an owner(s) listed in the application(s) is not in compliance with and/or fails to meet a requirement specifically listed in any AHFA document(s), executed agreement(s) with without prior written consent from AHFA.

(iii.) 2 points (for each occurrence) will be deducted for failure to meet any one of the following Davis Bacon requirements on a current project.

- No response on outstanding issues for over 6 months
- The general contractor is unable to submit payrolls, causing an escrow account to be established
- Outstanding issues remain over 2 years from the date of the notice to proceed
- Failure to provide AHFA the Section 3 report on the required date
- Failure to provide AHFA the HUD 2516 report on the required date

2.) <u>Non-Compliance after the Initial On-Site Inspection</u> (Maximum of 20 Points Loss)

AHFA's compliance requirements are outlined in (Addendum D) Compliance Monitoring Procedures, Requirements and Penalty Criteria.

For applicants with non-AHFA projects in the state and/or out-of-state, will be subject to the same AHFA (Health and Safety, Unit, Site, Exterior and Common Area Deficiencies) requirements defined in attached Addendum D. The automatic penalty points (the four (4) point threshold does not apply to non-AHFA project(s)) will be deducted for each non-AHFA project(s) in which AHFA (or AHFA's designated agent) has performed an on-site inspection(s) in connection with an application being submitted during the current QAP or HOME Action Plan Year.

Addendum B

Alabama Housing Finance Authority's
Environmental Policy Requirements

Alabama Housing Finance Authority ("AHFA") requires that a project-specific Environmental Site Assessment ("ESA") Phase I Report be submitted for each application by a qualified third party Environmental Professional ("EP") as defined by 40 C.F.R. § 312.10(b), be in the format as described herein and adhere to the following guidelines and requirements.

<u>Applications for HOME Funds:</u>

The HOME Investment Partnership Program ("HOME") requires AHFA to certify its compliance with the National Environmental Policy Act of 1969 ("NEPA"), as amended, Section 106 of the National Historic Preservation Act, and its implementing regulations located in 36 CFR 800, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR Parts 50, 51, and 58, U.S. Environmental Protection Agency ("EPA"), All Appropriate Inquiry ("AAI") 40 CFR Part 312, and all other applicable State and local laws. As a part of this process, the applicant must complete the Environmental Policy Requirements as set forth in greater detail herein. If the Phase I ESA Report and Addendum B-2 Requirements do not adhere to the Environmental Policy Requirements, the application will terminate and will not be considered for funding.

<u>Choice Limiting Activities Prohibited:</u>

In order to ensure that the environmental review process is not vulnerable to subsequent challenge by HUD and to protect each reservation of HOME funds, the applicant must take all actions necessary to ensure that no choice-limiting activity is conducted at a proposed site by the applicant or anyone else, including contractors, subcontractors, current property owner(s) or any other persons on the site.

With respect to projects that receive HOME funds (regardless of whether any other form of funding is received), "choice-limiting activities" include, but are not limited to, acquiring, rehabilitating, converting, leasing or repairing all or any portion of the project as well as disturbing the ground or commencing any form of construction at the project site. For HOME projects, all such choice limiting activities are prohibited during the period that (a) begins with delivery of the funding application to AHFA and (b) ends with AHFA's issuance of the Notice to Proceed, which typically occurs at the pre-construction meeting conducted at AHFA's offices in Montgomery.

With respect to projects that receive low-income housing tax credits ("Housing Credits") or a tax-exempt volume cap allocation (but do not receive HOME funds), "choice-limiting activities" include, but are not limited to, acquiring, rehabilitating or converting all or any portion of the proposed site or project as well as disturbing the ground or commencing any form of construction at the proposed site or project. For Housing Credit projects or projects with tax-exempt volume cap, all such choice limiting activities are prohibited during the period that (a) begins with delivery of the funding application to AHFA and (b) ends with a written notification from AHFA that the

environmental review process has been completed.
If choice-limiting activities occur at a proposed site or project during the period described above, regardless of whether the applicant consented to the activity or had knowledge of it, the application will terminate and will not be considered for funding.

For all Applications made to AHFA:

If a Phase I ESA for a project either (a) identifies a Recognized Environmental Condition (which includes, but is not limited to, controlled recognized environmental conditions, historical recognized environmental conditions, etc., hereinafter collectively referred to as ("RECs")) and or (b) recommends additional testing, investigation or a Phase II Report be conducted, any and all Phase II Reports and Addendums that are prepared to address the RECs identified or additional testing reports must be included at the time the Phase I ESA is submitted to AHFA. AHFA will not consider any sites for funding that are listed on or proposed to the National Priority List ("NPL") or State equivalent State Hazardous Waste Site ("SHWS") (Superfund sites).

Two versions of all reports must be submitted: A bound, color hard copy and a digital copy, the text of which shall be in a searchable format. At the time of the initial application, applicant must pay a third-party fee as defined in the Housing Credit Plan and HOME Action Plan. AHFA may select and engage an EP, legal counsel and/or designated consultant to review and comment on the Phase I ESA and/or the Phase II Report submitted by the applicant, the cost for said review to be paid by the third-party fee. Any additional costs incurred by AHFA exceeding the initial third-party fee will paid by the applicant to AHFA within ten (10) days upon notification. During the course of the AHFA environmental review process, AHFA will notify the applicant if the Phase I ESA Report must be updated in order to satisfy the ASTM Section 4.6 requirements (must be completed within 180 days of property acquisition). To the extent that an updated Phase I ESA Report is required, the applicant will be solely responsible for these costs, fees and related expenses. During the AHFA review process, any report(s) submitted for which AHFA (or AHFA's designated consultant) determines that the report materially fails to comply with AHFA written requirements, ASTM standards or applicable environmental standards will result in the termination of the related application.

Application Completeness Requirements

Upon application submittal, AHFA will conduct a completeness review with respect to the Environmental Policy Requirements.

If AHFA determines during its completeness review that an application in a competitive scoring cycle for HOME funds and/or Housing Credits is missing any materials required by the Environmental Policy Requirements or that the materials included in the application fail to adhere to AHFA's defined standards, the application will be rejected and will not be considered for funding during that scoring cycle. If during the completeness review AHFA determines that all materials required by the Environmental Policy Requirements have been provided and that the environmental is complete but that additional information or clarification is required in order for AHFA to complete its full evaluation of the Environmental Policy Requirements, AHFA will contact the applicant via email. When contacted, the applicant must respond within five (5) business days or the application will be rejected and will not be considered for funding during that scoring cycle.

If AHFA determines during its completeness review that an application for tax-exempt volume cap (whether or not the applicant requests Housing Credits awarded without a competitive scoring cycle) is missing any materials required by the Environmental Policy Requirements or that the materials included in the application fail to adhere to AHFA's defined standards, the applicant will have up to 60 days, after notification from AHFA, to resolve any outstanding issues. A Commitment Agreement for Multifamily Tax Exempt Bonds will not be issued until all defined environmental requirements are met to AHFA's complete satisfaction.

Any additional information provided by the applicant must be satisfactory to AHFA and may be subject to the fees as outlined in the applicable Housing Credit or HOME Action Plan and at www.AHFA.com.

All environmental issues identified (or that should have been identified) in the Phase I ESA and Phase II reports must have been fully abated or mitigated (or provide a written remediation plan approved in writing by the Alabama Department of Environmental Management ("ADEM")) in a manner that is protective of residential use and acceptable to AHFA in all respects before construction can begin.

After the Reservation, Written Agreement and/or Declaration of Official Intent

If any unforeseen environmental condition(s) is discovered with respect to a project that has already received an award of HOME funds, Housing Credits, and/or Multifamily Tax Exempt Bonds, and such environmental condition(s) would have caused the project to fail to meet the Environmental Policy Requirements if discovered prior to award, then (a) if AHFA determines in its sole discretion that the environmental condition(s) should have been discovered by the owner during the application process, AHFA will terminate the award and require all HOME funds or Housing Credits to be returned to AHFA, or (b) if AHFA determines in its sole discretion that the environmental condition(s) arose through no fault of the applicant and should not reasonably have been discovered during the application process, AHFA may allow the project owner to remediate the environmental condition(s) at owner's sole cost and expense, including without limitation the fees and expenses of any EP or attorney engaged by AHFA in connection with the project, as necessary in order for the applicant to comply with the Environmental Policy Requirements and all other conditions specified by AHFA based on the specific nature of circumstances of the project. If AHFA determines under the foregoing standards that an applicant is eligible to take remedial actions with respect to any unforeseen environmental condition(s), the applicant will be permitted to do so only if the applicant provides the following items to AHFA within 30 days, in compliance with the following requirements (the "Remedial Action Requirements"):

1. Estimate of total remediation costs and schedule for completion of remediation from a qualified environmental professional;
2. Evidence that the project will remain financially feasible and capable of being completed within the time required by the type of funding received; provided, however, that if AHFA permits the owner to remediate an unforeseen environmental condition(s) and the time required for such remediation results in the inability of the project to Place-in-Service by the deadline established under Section 42 and AHFA,

AHFA may elect to exchange the Housing Credits awarded to the project for a current or future year allocation of Housing Credits, subject to the applicant's payment of the environmental extension penalty specified at www.AHFA.com; and

3. Evidence that the applicant has sufficient financial resources to complete the remediation and the project by the required deadline. AHFA will, in its sole discretion, require an applicant to provide a deposit in order to ensure that AHFA's expenses in connection with any remediation will be paid on a timely basis.

For project(s) that receives an award of HOME funds, AHFA will notify the applicant if the Phase I ESA Report must be updated in order to satisfy the ASTM Section 4.6 requirements (which states that a Phase I update be completed within 180 days of property acquisition). To the extent that an updated Phase I ESA Report is required, the applicant will be solely responsible for all costs, fees and related expenses. During the AHFA review process, if AHFA (or AHFA's designated consultant) determines that the report(s) fails to comply with AHFA's written requirements, the ASTM standards or applicable environmental standards, this determination will result in termination of the award and the return of HOME funds and/or Housing Credits if not corrected promptly after written notice. If any environmental condition(s) is discovered with respect to the updated Phase I ESA that was not present at the time of the initial Phase I ESA report and such environmental condition(s) would have caused the project to fail to meet the Environmental Policy Requirements if discovered prior to award, then applicant must comply with AHFA's Remedial Action Requirements as specified in the previous section.

As stated above, all applicants are prohibited from conducting, authorizing or permitting "choice-limiting activities". After a project has received an award and has completed certain specific final environmental requirements, AHFA may issue written approval to perform certain activities on site such as taking soil borings needed for completion of the project's plans and specifications. Please be aware, any "choice-limiting activities" performed without AHFA's prior written consent will result in the termination of the award and return of the HOME funds and/or Housing Credits.

In accordance with AHFA requirements, the Phase I ESA must:

1. Include Engagement Letter (Engagement Letter Form, Addendum B-1) between Applicant and EP and submit as Appendix L.
2. Comply in all respects with ASTM E1527-13 (the ASTM Standards) as to content and adhere to AHFA's Environmental Policy Requirements and Non-Scope Requirements (Addendum B-2).
3. Be dated less than 6 months old at time of submittal.
4. Include a complete legal description (e.g., metes and bounds) of the site.
5. Be in the AHFA Required Environmental Report Format (Addendum B-3).
6. Be completed and certified as to its accuracy, completeness and in conformance with the ASTM Standards and AHFA Policy Requirements by an "Environmental Professional" as defined in X2 of the ASTM Standard.
7. Include a statement that the report can be relied upon by AHFA.

Addendum B-1

Engagement Letter

Click here to enter a date.

[Applicant]

RE: Phase I ESA [or subsequent Environmental Reports] for:
Applicant
Development Name
Development Address

Dear [Applicant]:

Please accept this letter setting forth the terms of engagement ("Engagement Letter") under which our Firm will provide environmental consulting services to you and your company for purposes of conducting a Phase I ESA Report [or subsequent Environmental Reports] for the Development Project at the designated address set forth above.

Our Firm appreciates the opportunity to work with you and your company in providing environmental professional services. It is our Firm's understanding that the nature and scope of the environmental professional services to be provided to you are as follows:

1. Our Firm has been engaged by [APPLICANT] to conduct a Phase I ESA at the Development location specified above in conformance with the scope and limitations of both the ASTM E1527-13 ("ASTM Standards") and AHFA's Environmental Policy Requirements.

2. Our Firm certifies that the Phase I ESA Report will be conducted and completed by an Environmental Professional (as defined by 40 C.F.R. § 312.10(b)) and the Phase I ESA, once completed, will also be certified in this same manner.

3. Our Firm understands that the information contained in the Phase I ESA will be used by Alabama Housing Finance Authority ("AHFA") in considering proposed financing of residential development/rehabilitation of the property and, therefore, AHFA may rely upon the Phase I ESA Report in its entirety as if it were originally issued to AHFA. While AHFA will be entitled to rely upon the Phase I ESA Report in its entirety, the Applicant will be solely responsible for any and all fees and expenses associated with completing this scope of engagement.

4. Our Firm understands the AHFA Insurance Requirements that are required for this scope of work and these insurance requirements have been satisfied and addressed as set forth within the Terms & Conditions Section of this Engagement Letter. The AHFA Insurance Requirements are as follows:

a. The Firm has Professional Liability and/or Errors and Omissions insurance coverage in the minimum amounts of One Million Dollars ($1,000,000.00) per event or occurrence;

b. The Firm has Worker's Compensation Insurance and Public Liability Insurance for bodily injury and property damage which may be suffered by third parties and members of the public in the minimum amounts of One Million Dollars ($1,000,000.00) per event or occurrence; and

c. The Firm has Comprehensive General Liability and Property Damage Insurance for bodily injury and property damage in the minimum amounts of One Million Dollars ($1,000,000.00).

Our Firm understands that it shall provide a copy of its Insurance Certificate or Accord demonstrating that it satisfies the AHFA Insurance Requirements and listing or scheduling AHFA as an additional insured for these insurance policies.

5. Our Firm understands that to the extent recommendations are being provided by the EP to the Applicant concerning Phase I ESA work to be performed, mitigation or abatement measures, or additional assessment ("Additional Work"), those recommendations for Additional Work shall be provided to AHFA at the time of Application. Further, our Firm understands that the Applicant shall not have the authority to authorize or instruct the EP or our Firm to implement such recommendations without AHFA's express written concurrence.

6. Our Firm also understands that once the Applicant submits its Application to AHFA, none of the Applicant, the EP (or our firm), the current property owner or any agent of said parties may undertake or conduct any "choice limiting" activities at the Development project site. Choice limiting activities include converting, leasing, repairing, ground disturbance, or construction. For avoidance of doubt, our Firm will seek written authorization for any Additional Work from AHFA before proceeding. In addition, our Firm understands that once the Applicant submits its Application to AHFA, our Firm shall not engage in communications with the Applicant and or any governmental or regulatory agencies concerning Additional Work and any related activities concerning the Development project site without first obtaining written authorization from AHFA.

Our Firm appreciates the opportunity to work with the Applicant and AHFA in undertaking the Phase I ESA engagement and looks forward to working with you.

Addendum B-2

AHFA Non-Scope Requirements

1. The Phase I ESA must:
    a. state that the EP understands that the purpose of the Phase I ESA is to ascertain whether the property is environmentally suitable for construction/rehabilitation of multifamily residential housing;
    b. certify that the EP conducted the Phase I ESA in accordance with the ASTM standards and AHFA Environmental Policy Requirements; and
    c. state whether the property is suitable for or may satisfy the residential use standard based upon EP's best professional judgment and after conducting the Phase I ESA work.
2. The EP must accept the responsibility for and complete the Environmental Lien and Activity and Use Limitation ("AUL") search as explained in section 6.2 of the ASTM Standards.
3. The Phase I ESA must address and discuss, at a minimum, the following issues in connection with the proposed site: asbestos, lead based paint, mold, radon, wetlands, and floodplains.
    a. If the proposed project involves rehabilitation, removal, or demolition of a building the following additional testing may be required:
        i. **Asbestos Testing**: An asbestos testing report on every structure will be required at the time of the initial application and included in the Phase I ESA. All friable and non-friable ACM in deteriorated condition must be completely abated. An asbestos contractor's listing may be obtained from Alabama Department of Environmental Management (ADEM) (334) 271-7700 or at www.adem.state.al.us. Non-friable ACMs may be managed in place if in an intact condition. A site-specific Operations & Maintenance Plan for asbestos must be implemented if ACMs are to be left in place. Asbestos standards are located at ASTM E-2356, EPA: Clean Air Act, CERCLA, & OSHA 29CFR Part 1926.1101.
        ii. **Lead Based Paint Testing**: For all buildings built prior to 1978, the applicant must provide a LBP report at the time of initial application and included in the Phase I ESA. AHFA requires all LBP to be completely abated (eliminated). A list of licensed LBP contractors can be obtained from the Alabama Department of Public Health at www.adph.org. Lead Based Paint standards: US Department of HUD "Guidelines for the Evaluation and Control of Lead Paint Hazards in Housing: http://www.hud.gov/offices/lead/lbp/hudguidelines/Ch07.pdf.
        iii. **Mold**: Visually check for the presence of mold, notate your findings.
    b. All reports must include information on the following:
        i. **Radon**: Alabama Department of Public Health (ADPH) lists the following counties as being located in zone 1 (highest level): Calhoun, Clay, Cleburne, Colbert, Coosa, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Morgan, Shelby, and Talladega.

           Radon Map: http://www.adph.org/radon/Default.asp?id=6413

           If the site is located in Zone 1:

           New Construction projects will require Radon Resistant New Construction (RRNC) practices. http://www2.epa.gov/radon/radon-resistant-construction-basics-and-techniques

           Rehabilitation projects will be required to follow EPA's Radon Mitigation Standards.

           http://www.ahfa.com/multifamily/environmental/environmental_testing.aspx
        ii. **Wetlands:** No portion of the site may contain wetlands (which also includes waters of the United States) including any portions not considered part of the

site but necessary for ingress and egress to the site. Are any wetland characteristics (hydrophytic vegetation, hydric soils, wetland hydrology) or drainage features observed on the site or adjoining properties? Any waters of the State, jurisdictional wetlands, drainage features, water courses observed on the site or on adjoining properties? Does the project involve any new construction or filling located within a wetland area designated on a USFW National Wetlands Inventory Map (NWI)? Attach NWI Map and any wetland delineation studies or assessment reports prepared for the project and/or adjoining property. http://www.fws.gov/wetlands/data/mapper.html

Attach any Jurisdictional Determinations (JD) or requests for JD to the report.

iii. **Floodplains:** 100 year (zones A or V) 500 year (zone B). Attach a FEMA Flood Insurance Rate Map (Firmette) with site boundaries clearly marked.

Housing Credit Only projects: No buildings (residential or any other use) on the site can be located within the 100 year flood plain. AHFA will allo0w an existing acquisition/rehabilitation rental property to be located in a flood plain as long as acceptable evidence of flood insurance is provided at time of application

Housing Credits combined with AHFA HOME funds: No portion of the site can be located within the 100 year flood plain.

4. The EP must field-verify the distance to any facilities identified in any of the standard environmental records searches and also comply with the search distance requirements set forth within the "Toxic Chemicals & Radioactive Materials" section of "Instructions/Guidance for Completing Addendum B-4."
5. If there is any potential for contamination to be present on the Property (regardless of on-site or off-site sources of the contamination), recommendations for additional testing or assessment must be included.
6. All local interviews will be conducted first in person, if unavailable then by phone, then via written communication. In all cases the final report must contain the documentation of the interviews and the interviewee's contact information. (name, business address and phone number)
7. The Report must include a site location map and a google earth map which includes:
   a. An area large enough to display the location of the site and adjoining properties including existing streets.
   b. Identification of environmental concerns, where applicable, including off-site sources or locations that have the potential to adversely impact the property.
   c. Boundaries of floodplains, wetlands, drainage features, jurisdictional waters, and/or potential waters of the State on or adjoining to the site.
8. The EP must locally check all Standard Historical Sources listed in section 8.3.4 of the ASTM Standards.
9. Addendum B-4 (AHFA Environmental Review Statutory Checklist**)(required on applications for HOME funds only).**
10. Addendum B-5 (Environmental Summary Page)**(required on all applications)** must be completed and certified to as a part of the Phase I ESA and placed in Appendix B and C accordingly.
11. The EP must obtain from the Applicant a completed X3 User Questionnaire to include with the Phase I ESA.
12. Any Phase II Reports that are recommended for purposes of addressing the REC's identified in the Phase I ESA (or that should have been identified in the Phase I ESA but were not) must be completed in accordance with E1903-11 and be protective of Residential Use Properties.
13. If mitigation measures and/or remediation has been or is recommended to be performed, include the Cleanup Work Plan and ADEM approvals for the same; a statement certifying that the mitigation or remediation complies in all aspects with approved EPA and/or ADEM guidelines, standards, and methods should also be included. To the extent there are conflicting or inconsistent guidelines or methods between EPA and ADEM concerning the matter at issue, the EP shall follow the most

stringent standard and certify that this standard has been satisfied.

14. If the EP believes or contends that the Chemicals of Concern ("COC") detected are consistent with or in line with "background conditions," the EP shall provide a basis for such an opinion. Methods for doing so include, but are not limited to, the U.S.G.S. studies for COCs in the same geographic region and sufficient background samples to be analyzed and evaluated under the ADEM AEIRG Guidance Document (2005).
15. The EP must complete Addendum B-6 (The Letter of Reliance) and submit as Appendix M.

Addendum B-3

AHFA Required Environmental Report Format

TABLE OF CONTENTS

APPENDIXES

Addendum B-4

Environmental Review Statutory Checklist
(Required on Applications for HOME Funds Only)

Project Name:
Project City:

Directions: Write "**A**" in the Status Column when the project, by its nature, does not affect the resources under consideration; OR write "**B**" if the project triggers formal compliance, consultation with the oversight agency, or requires mitigation.

Area of Statutory or Regulatory Compliance listed at 24 CFR 58.5 and 24 CFR 58.6	**Status A/B**	This section must contain a detailed written explanation. Refer to the "Instruction/Guidance for Completing Addendum B-4" and provide a thorough explanation based on supporting documentation.
HISTORIC PRESERVATION		
FLOODPLAIN MANAGEMENT		
WETLANDS PROTECTION		
ENDANGERED SPECIES ACT		
WILD & SCENIC RIVERS ACT		
CLEAN AIR ACT		
FARMLANDS PROTECTION POLICY ACT		
MANMADE HAZARDS **EXPLOSIVE & FLAMMABLE OPERATIONS**		
NOISE ABATEMENT & CONTROL		
AIRPORT CLEAR ZONES & ACCIDENT POTENTIAL ZONES		
TOXIC CHEMICALS & RADIOACTIVE MATERIALS		
ENVIRONMENTAL JUSTICE		
WATER QUALITY		
FLOOD INSURANCE		

Attach evidence of your findings. Documentation must be credible, traceable & supportive of the environmental findings.

Instructions/Guidance for Completing Addendum B-4

These instructions and guidance are being provided as an initial starting point to address relevant environmental details regarding the project site. This guidance is not intended to be all- inclusive; each project site presents unique conditions and circumstances that are site-specific. Therefore, AHFA reserves the right to question or require explanatory details. Responses must be fully supported by the appropriate documentation.

Historic Preservation:
Are there any buildings over 50 years old within 2 blocks of the site?
Will you drive past any to get to the site?
Are there any within line of site of the property?
Will proposed Apartments be of greater height than surrounding buildings?
Does the project include the type of activity that would have the potential to affect historic properties?
Call local historical society verify whether there are any historic properties in the immediate area of the site. Document the Historical Society name, contact name, phone number and conversation.
Print google earth map of site and map all historic properties that are close.
Review National Register database: www.nationalregisterofhistoricplaces.com
Review State of Alabama Historic listings: www.preserveala.org
Please note: AHFA will request concurrence letters upon project approval.

Floodplain Management:
Is the project located in the 100 year floodplain (zones A or V) mapped by the Federal Emergency Management Agency (FEMA)?
Located in the 500 year floodplain (zone B)?
Is the project affected by local flooding?
Attach FEMA Flood Insurance Rate Map (Firmette) site boundaries must be clearly marked.
Provide the FIRM panel number.
In what flood zone is the property located?
https://msc.fema.gov/portal

Wetlands Protection:
Are any wetland characteristics (hydrophytic vegetation, hydric soils, wetland hydrology) or drainage features observed on the site or on the adjoining properties?
Any waters of the State jurisdictional wetlands, drainage features, water courses observed on the site or on the adjoining properties?
Does the project involve any new construction or filling located within a wetland area designated on a USFWS National Wetlands Inventory Map?
Attach National Wetlands Inventory Map (NWI) and any wetland delineation studies or assessment reports prepared for the project site and adjoining property.
http://www.fws.gov/wetlands/data/mapper.HTML
Attach any Jurisdictional Determinations (JD) or requests for JD to the report.

Endangered Species Act:
Will any endangered species or their habitat be adversely affected by this project?

Attach endangered species and/or critical habitat list for the project's county from the U.S. Fish & Wildlife Service website. Document your visual finding for endangered species and their habitat. http://www.fws.gov/daphne/es/specieslst.html
https://www.hudexchange.info/programs/environmental-review/endangered-species
Please note: AHFA will request concurrence letters upon project approval.

Wild & Scenic Rivers Act:
Document the distance to the Sipsey Fork River.
Will this project have an adverse effect on the river?
https://www.hudexchange.info/programs/environmental-review/wild-and-scenic-rivers

Clean Air Act:
Is project located in a Non-attainment area of the state?
Does the project involve demolition or renovation of buildings likely to contain asbestos containing materials ("ACMs")?
www.epa.gov/airquality/greenbk/astate.html
https://www.hudexchange.info/programs/environmental-review/air-quality

Farmlands Protection Policy Act:
Is the project currently being farmed?
Property zoned for agricultural use?
Soil listed as prime or unique? Attach web soil survey.
http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm
https://www.hudexchange.info/programs/environmental-review/farmlands-protection

Manmade Hazards:

Explosive & Flammable Operations:
Are there any above ground storage tanks ("ASTs") containing 100 or more gallons of explosive or flammable liquid or gas within 1 mile of the site? Visually check
Are there any within line of site of the property?
Provide information on contents, size and distance from the site.
Has the acceptable separation distance been met for people as well as buildings?
USER GUIDE:
https://www.hudexchange.info/resource/3839/acceptable-separation-distance-asd-assessment-tool-user-guide/
TOOL:
https://www.hudexchange.info/resource/2766/acceptable-separation-distance-electronic-assessment-tool/
https://www.hudexchange.info/programs/environmental-review/explosive-and-flammable-facilities
Attach the HUD ASD Calculator results and field — verify measurement results from closest point of the line of site of the property to the AST at issue.

Noise Abatement & Control:
Is there a civilian airport within 5 miles of the site?
Is there a military airport within 15 miles?

Is there a major road within 1000 feet of the site?
Is there a railroad track within 3000 feet?
Attach HUD noise calculator sheets. Acceptable outside noise level is below 65dB, interior 45 dB.
USER GUIDE:
https://www.hudexchange.info/resource/3822/day-night-noise-level-assessment-tool-user-guide/
TOOL:
https://www.hudexchange.info/resource/2830/day-night-noise-level-assessment-tool/
https://www.hudexchange.info/programs/environmental-review/noise-abatement-and-control

Airport Clear Zones & Accident Potential Zones:
Is the property site located within an ACZ or APZ?
Civilian clear zone is 2,500 feet (.47 miles) from the end of the runway. (ACZ)
Military clear zone is 15,000 feet (2.8 miles) from the end of the runway. (APZ)
Verify whether the site is located within a flight path.
Attach a google earth map indicating the site & airport.
Provide name and distance to nearest airport.
https://www.hudexchange.info/programs/environmental-review/airport-hazards

Toxic Chemicals & Radioactive Materials:
Do previous uses of the site indicate the likelihood of contamination?
Is the site located within 3,000 feet of a solid, toxic or hazardous waste landfill?
Were any recognized environmental conditions (RECs) found?
Is the site located within the search distance of any of the environmental record sources?
Confirm that the appropriate search distance radii from the Site conforming to ASTM standards and AHFA's Environmental Policy Requirements have been used when performing environmental record searches. Alternatively, if this search was performed from the center of the Site, confirm that the search radii has been adjusted to include the Site boundary in order to satisfy the ASTM and AHFA search standard.
Can people come into physical contact with the contaminants?
Can contaminants be ingested? From drinking water, food crops, etc.
Can people inhale the contaminants? From vapors, gases, dust, etc.
https://www.hudexchange.info/programs/environmental-review/site-contamination
Will any RECs identified in the Phase I ESA recommend or require additional assessment, remediation, or mitigation measures? If so, please fully describe and provide documentation.

Environmental Justice:
Is the project site suitable for its proposed residential use?
Are there high or adverse health and/or environmental conditions that could affect the project because of its proposed location?
Are minority and low income persons being disproportionately affected in comparison to the rest of the population?
https://www.hudexchange.info/programs/environmental-review/environmental-justice

Water Quality:
Who is providing the projects drinking water supply?
Does their most recent report indicate any compliance issues?

Flood Insurance:

Is the project in a location requiring flood insurance?

Provide the current flood insurance declaration page. Must at a minimum be for the amount of the project cost and duration for the life of the loan.

Addendum B-5
Environmental Summary Page (Required on All Applications)

REPORT INFORMATION			PAGE #
Project Name:	Click here to enter Project Name		
Project City:	Click here to enter City Name		
ASTM E 1527-13: Yes☐ No☐	Enter report date here	AHFA Reliance: Yes☐ No☐	page #
Suitability for Residential Use statement included? Yes☐ No☐			page #
Local Interviews included? Yes☐ No☐			page #
Site Map Included? Yes☐ No☐			page #

SITE INFORMATION	DESCRIPTION / DOCUMENTATION	PAGE #
Developed☐ Undeveloped☐ (provide age if developed)	Click here to enter site description.	page #
Listed on NPL or SHWS? Yes☐ No☐	Click here to enter text.	page #
Delisted NPL (1 mile) Yes☐ No☐	Click here to enter text.	page #
Site Acreage:	Click here to enter text.	page #
Site Elevation:	Click here to enter text.	page #
Site Slope:	Click here to enter text.	page #
Water On Site: Yes☐ No☐	Click here to enter text.	page #
Surface Water Flow Direction:	Click here to enter text.	page #
Groundwater Flow Direction:	Click here to enter text.	page #
Flood Insurance Rate Map:	Click here to enter text.	page #
Flood Zone:	Click here to enter text.	page #
Recognized Environmental Conditions (RECs) identified? Yes☐ No☐	Click here to enter text.	page #
Contamination (known or suspect): Yes☐ No☐	Click here to enter text.	page #
Recommendations Included: Yes☐ No☐	Click here to enter text.	page #
Mitigation or Remediation measures recommended? Yes☐ No☐	Click here to enter text.	page #
Current or Pending VCP: Yes☐ No☐	Click here to enter text.	page #
Radon Zone:	Click here to enter text.	page #
ACM (every structure) : Yes☐ No☐	Click here to enter text.	page #
Friable ACM: Yes☐ No☐	Click here to enter text.	page #
LBP (pre- 1978): Yes☐ No☐	Click here to enter text.	page #
ASTs (within 1 mile): Yes☐ No☐	Click here to enter text.	page #
Acceptable (ASD) Separation Distance: Yes☐ No☐	Click here to enter text.	page #
USTs (within 0.5 mile): Yes☐ No☐	Click here to enter text.	page #
Wetlands, drainage features, jurisdictional waters or waters of the State on site: Yes☐ No☐	Click here to enter text.	page #
Env Lien/AUL on site: Yes☐ No☐	Click here to enter text.	page #
Database Search: Yes☐ No☐	Click here to enter text.	page #

OFF-SITE INFORMATION		DESCRIPTION / DOCUMENTATION	PAGE #
Adjoining Land Use:	North	Click here to enter text.	page #
	South	Click here to enter text.	
	East	Click here to enter text.	
	West	Click here to enter text.	

Adjoining Water: Yes☐ No☐	Click here to enter text.	page #
Adjoining Wetland: Yes☐ No☐	Click here to enter text.	page #
Adjoining Contamination: (known or suspect) Yes☐ No☐	Click here to enter text.	page #
USTs (within 0.5 mile): Yes☐ No☐	Click here to enter text.	page #
Are USTs Trust Fund Eligible? Yes☐ No☐	Click here to enter text.	page #
Leaking USTs (within 0.5 mile) Yes☐ No☐	Click here to enter text.	page #
RCRA regulated Yes☐ No☐	Click here to enter text.	page #

Addendum B-6

Letter of Reliance

Click here to enter a date.

Alabama Housing Finance Authority
7460 Halcyon Pointe Drive, Suite 200
Montgomery, AL 36117

RE: Phase I ESA [or subsequent Environmental Reports] for:
Development Name
Development Address
Development City, State Zip

Please find enclosed the Environmental Site Assessment (ESA) Phase I Report [or subsequent Environmental Reports] for the subject property dated Click here to enter a date. to the Alabama Housing Finance Authority (AHFA).

It is my understanding that the information contained in the ESA will be used by AHFA in considering proposed financing of residential development/rehabilitation of the property and, therefore, AHFA may rely upon the ESA in its entirety as if it were originally issued to AHFA.

I **certify** that the attached is a true, correct and complete copy of the ESA and that the report represents my professional opinion of the site as of this date. I also confirm the evaluation, recommendations, and conclusions contained in the ESA have been performed in conformance with the scope and limitations of **both** the ASTM E1527-13 (the ASTM Standards) and AHFA's Environmental Policy Requirements.

Last, I also certify by my signature below that ____________________ (name) meets the definition of an Environmental Professional as defined by 40 C.F.R. § 312.10(b) and has performed the environmental investigations listed above.

Sincerely,

Environmental Professional Name
Environmental Professional Company Name

Addendum C

Alabama Housing Finance Authority's
Design Quality Standards and Construction Manual

Table of Contents

I. Introduction

All projects must be designed and constructed in accordance with the applicable requirements of the 2010 Americans with Disabilities Act Accessibility Guidelines, Section 504 of the Rehabilitation Act, Fair Housing Act, state and local disaster mitigation standards, 2009 or 2012 International Building Code-International Residential Code, 2009 International Energy Conservation Code for single-family homes, 2007American Society of Heating, Refrigerating and Air-conditioning Engineers 90.1 for multifamily buildings and any more restrictive local building code requirements.

Any deviations from these standards must have the written approval of AHFA prior to submitting an application for funding. The request for approval, with all supporting documentation, must be submitted to AHFA at least thirty (30) days prior to submitting a final application for funding. Once the project begins construction and through the end of construction of project, any deviation must have written approval before any work commences or any deviation is made on the construction site. Any deviation requested and approved will be charged the appropriate fee. A complete list of fees is located at www.AHFA.com.

II. Requirements for All Approved Projects

A. Site Specific Criteria:

1.) HOME proposed sites containing property within a 100-year flood plain are not permitted. Housing Credit and HOME proposed sites and existing projects are not allowed to contain wetlands.

2.) Proposed sites located in a Radon Zone-1 (highest level) will require Radon Resistant New Construction Practices in all buildings. Existing buildings located in a Radon Zone-1 (highest level) must meet the Radon Mitigation Standards as required by the Environmental Protection Agency. The following counties are located in Radon Zone -1: Calhoun, Clay, Cleburne, Colbert, Coosa, Franklin, Jackson, Jefferson, Lauderdale, Lawrence, Limestone, Madison, Morgan, Shelby, and Talladega. For the most current radon information see: ***www.adph.org/radon***.

B. Site Located Outside Municipal City Limits:

1.) A proposed new construction site or existing project may be located outside a municipality's city limit, but must be within the local police or sheriff jurisdiction.

2.) A proposed site or existing project that is located in the police jurisdiction of a local municipality must comply with applicable zoning restrictions as if located within that municipality's city limit.

3.) Domestic water and fire water service must be provided to the development by the local utility service provider.

C. Project Standards:

1.) Clubhouse/Community Building Standards:

The square footage of the Project's clubhouse/community building or space(s) may exceed 3,000 square feet heated and cooled (inclusive of the office area, community laundry, community meeting room, restrooms, kitchens, etc.)(Any square footage exceeding this amount will not be included in the eligible basis used to calculate the Housing Credit) and be ADA accessible.

2.) Elderly Project Standards:

All 100% Elderly projects must be one-story structures. Exception: Projects may have more than one story, provided elevators are to be installed to service all upper level apartments. Design exceptions, or deviations, must be reviewed by AHFA on an individual basis.

3.) Required Unit Amenities:

All projects are required to have the following unit amenities for all units:

- Range
- Refrigerator with Ice Maker
- Dishwasher
- Microwave
- Washer and Dryer Connections
- Heater
- Air Conditioner

All units must include an exterior storage closet with a minimum area of sixteen (16) square feet. Developments designed with all interior unit access must provide the additional required exterior storage for each unit in the interior of the building(s). It may be located inside the unit, on the tenants' floor, or in a common area. All exterior and interior storage must be lockable.

4.) Modular Construction:

Modular units are to be constructed in component sections and assembled by a manufacturer in a controlled environment. The component sections are to be assembled on a conventional permanent foundation at the project site. Finish work is to be completed on site. Modular units must be constructed to meet applicable building codes, AHFA's specifications and Design Quality Standards stated herein. A modular home manufacturer's warranty must be provided.

5.) Drawing Submission Criteria:

The following documents must be prepared by a registered architect, surveyor, or engineer licensed to practice in the State of Alabama.

A. Site Plan: The following items must be shown.

1. Scale: 1 inch = 40 feet or larger for typical units.
2. North arrow.
3. Locations of existing buildings, utilities, roadways, parking areas if applicable.
4. Existing site/zoning restrictions including setbacks, rights of ways, boundary lines, wetlands, and flood plain.
5. All proposed changes and proposed buildings, parking, utilities, and landscaping.
6. Existing and proposed topography of site.
7. Finished floor height elevations and all new paving dimensions and elevations.
8. Identification of all specialty apartment units, including, but not limited to,

Designated handicapped accessible and sensory impaired apartment units.
9. Provide an accessible route site plan with applicable details.

B. Floor Plans:

1. Scale: 1/4 inch = 1 foot or larger for typical units.
2. Show room/space layout, identifying each room/space with name and Indicate finished space size of all rooms on unit plans.
3. Indicate the total gross square foot size, and the net square foot size for each typical unit.

For projects involving removal of asbestos and/or lead paint, identify location and procedures for removal.

C. Elevations and sections:

1. Scale: 1/8 inch = 1 foot or larger.
2. Identify all materials to be used on building exteriors and foundations.

D. Title Sheet:

Indicate Building Codes that are applicable for the project.

III. Attached New Construction Rental Units

The following outline of minimum standards must be used in designing Housing Credit and HOME projects of twelve or more attached units.

Minimum Building Standards:

1.) Minimum Apartment Unit Net Area Requirements:

Net area is measured from the **interior finished face** of the exterior wall to the **interior finished face** of the common or tenant separation wall.

Minimum Bedroom Net Area is measured from the interior faces of all walls surrounding each bedroom, excluding closets, mechanical rooms, and storage rooms.

Unit Type	Number of Bathrooms	Minimum Unit Net Area*	Min. Bedroom Net Area
1 Bedroom	1	725 s.f.	120 s.f.
2 Bedroom	1	900 s.f.	120 s.f.
2 Bedroom	1.5	925 s.f.	120 s.f.
2 Bedroom	2	975 s.f.	120 s.f.
3 Bedroom	2	1,200 s.f.	120 s.f.
4 Bedroom	2	1,455 s.f.	120 s.f.

****Note 1***: Net unit areas do not include outside storage, covered porches, patios, balconies, etc.*

2.) Exceptions to the minimum area requirements:

Single-Room Occupancy ("SRO") projects

3.) Exterior Building Standards:

a. Exterior Finishing Materials:

1. Exterior building coverings: For new construction, very low maintenance materials are required. Acceptable materials include:
   a. Brick;
   b. High quality vinyl siding with a minimum thickness of .044 and a lifetime non-prorated limited warranty (50 year) transferable;
   c. Cementitious siding and trim material; or
   d. Engineered composite siding and trim material.

   All siding materials listed above are required to be 12 inches above the finished floor elevation of the building ground floor, with the exception of concrete patio and covered breezeway areas. Brick, decorative block or cultured stone must be used as an apron material.
2. Fascia and soffit: Must be prefinished vinyl, prefinished aluminum, cementitious trim or engineered composite trim. Material used for soffits must be perforated or vented.
3. Windows frames and sashes are to be constructed of vinyl-clad wood, solid extruded vinyl, fiberglass, or aluminum and all windows are required to have screens.
4. Materials for entry doors are to be metal-clad wood, fiberglass, or hollow metal construction. "Peepholes" and deadbolt locks are required in entry doors. Dead bolt locks on entry doors must have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited. Minimum clear width of all exterior doors must be 34 inches.
5. Roofing materials: Anti-fungal shingles or metal roof with 30-year warranty or better must be used.
6. Roof gable vents must be made of aluminum or vinyl materials.
7. All attics shall be vented.
8. All primary entries must be within a breezeway or have a minimum roof covering of 3-feet deep by 5-feet wide, and must be designed to divert water away from the entry door. Entry pads measuring 4 feet by 4 feet and made of impervious material with a minimum slope of 1/4 inch per foot are required at each exterior entry.
9. All breezeways must be constructed of concrete floor/decking material.
10. Exterior shutters are required on all 100% Brick or vinyl siding buildings.
11. Stairway components, such as stringers, treads, and risers must be constructed from steel or concrete. All project steps must include a kick plate in between each step beginning at the first step nearest to the ground and ending at the nearest step at the balcony or landing. Handrails and pickets must be constructed from steel or aluminum.
12. Patio and porch/balcony components used as part of the building must have concrete slabs or decks and must be constructed so that no wood is

exposed. Concealment must be with materials such as aluminum, vinyl, cementitious materials trim or engineered composite trim. Structural wood columns must be at a minimum 6" x 6" pressure treated columns concealed as noted above or properly sized columns of steel, fiberglass, high density urethane or aluminum. Decorative rails and/or guard rail systems used at porches and patios must be code compliant systems of vinyl, fiberglass, steel or aluminum. Wooden support posts must be installed to prevent degradation (rotting) to ends of posts and to provide for structural and anchoring of post to slab. Wood railings are not allowed.

b. Other Exterior Standards:

1. Adequate exterior lighting is required in all covered exterior breezeways/walkways. Exterior lighting fixtures are required at all entry doors. The fixtures must be controlled from the interior of the unit.
2. Address numbers are to be clearly visible.
3. One and one-half parking spaces per living unit required for family units, one space per unit for elderly units, two parking spaces for single family homes, and two parking spaces for each duplex, unless local code dictates otherwise, and no designated street parking allowed.
4. Metal flashing or 20 mil polyethylene when used in conjunction with a self-adhering polyethylene laminate flashing, must be installed above all exterior door and window units.
5. A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable municipal landscape ordinance. At a minimum, 20 feet of solid sod must be provided (if ground space allows) from all sides of every building and between all buildings and paved areas. All disturbed areas must be seeded. Landscaping around and between the buildings is allowed. At a minimum, provide one 2" caliper tree per unit and Six 1 gallon shrubs per unit.
6. Concrete curbing is required along all paved areas throughout the development site, including parking areas. (Valley curbs are not allowed)
7. Sidewalk access to all parking spaces must be provided. Where the accessible route on the site crosses a vehicular roadway, crosswalk lines are required. They shall not be less than 6 inches or greater than 24 inches in width.
8. A lighted project sign including the Fair Housing logo is required. Depending on the placement as it relates to the access of the property from the public road, the project's sign may require the project's name and Fair Housing logo on both sides of the sign.
9. A minimum of one trash dumpster or compactor enclosed on a minimum of 3 sides is required. The trash dumpster/compactor enclosure must be ADA accessible and have a concrete apron. If the dumpster itself is not accessible, trashcans must be placed within the enclosure for use by handicap tenants.
10. Continuous asphalt or concrete paved access road must be provided to the entrance of the development.
11. All parking must be asphalt or concrete. An asphalt or concrete paving recommendation letter must be provided with the application by a

geotechnical engineer.

12. All sidewalks and walkways must be concrete and at least 36 inches wide. All public buildings, clubhouse/community building and amenities must be connected to the dwelling units by a sidewalk or walkway.
13. Mailboxes, playground and all exterior project amenities must be on an accessible route as defined by the Fair Housing Guidelines. All exterior project amenities that have exposed components used as part of the structure must be constructed so that no wood is exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementitious materials. Decorative rails and/or guard rail systems used shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed. Gazebos and picnic shelters shall have table(s) with attached bench seating.
14. No above ground propane tanks allowed on the site.
15. All utilities located on site must be underground.
16. Storm Water retention basins must include fencing around the entire perimeter and a lockable maintenance gate. The retention area will be maintained and managed in a manner to provide safety to the tenants. Including preventing vermin, insect and reptile infestation, vegetation overgrowth, and must be kept free of all trash and debris.

5.) Interior Building and Space Standards:

a. Wall Framing:

1. Walls may be framed using metal studs in lieu of wood.
2. Sound proofing or sound batt insulation is required between the stud framing in tenant separation walls. A sound rating of Sound Transmission Class (STC) 54 is required.
3. Sound proofing between floors is required to achieve a rating of (STC) of not less than 50 and an Impact Insulation Class (IIC) of not less than 50.

b. Insulation Requirements:

1. Exterior wall insulation must have an overall R-13 minimum for the entire wall assembly.
2. Roof or attic insulation must have an R-38 minimum.
3. Vapor retarders must be installed if recommended by project architect.

c. Kitchen spaces:

1. A minimum 6 1/2-inch deep double bowl stainless steel sink is required in each unit.
2. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units. Each unit must also contain either fire protection canisters above the cooktop surface or temperature limiting plates on the cooktop surface.
3. New cabinets must have dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets must meet the ANSI/KCMA A161.1 performance and construction standard for kitchen and vanity cabinets. Cabinets must bear the certification seal of KCMA

(Kitchen Cabinet Manufacturers Association).

4. A pantry closet or pantry cabinet is required in each unit. The pantry must be 1’6” x 1’6” deep with a minimum five shelves, located in or adjacent to the kitchen.
5. A 4 foot long fluorescent light fixture is required.
6. All appliances must be Energy Star rated.
7. A grease shield is required behind ranges on the wall.

d. Bathroom Spaces:

1. Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in walls as per Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with “factory-installed grab bars” where the tub surrounds are reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tub surrounds are not reinforced fiberglass, hard tile or cultured marble or composite materials; solid wood blocking must be installed to meet Fair Housing guidelines.
2. Water closets must be installed to comply with applicable ANSI, UFAS and Fair Housing accessibility guidelines.
3. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6’-0” above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14” x 24”.
4. Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units. All cabinets in designated handicap accessible units must be installed in compliance with applicable ANSI or UFAS guidelines.

e. Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards.

f. All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with the applicable Fair Housing design standards. All interior doors to habitable spaces in designated handicap accessible units must have a minimum width of 36 inches. All interior doors to habitable spaces in all other units must have a minimum clear width of 30 inches.

g. Separately switched overhead lighting is required in each room. Energy Star ceiling fans with light kits are required in the living room and each bedroom.

h. Window treatments are required for all windows.

i. Sliding glass doors are prohibited.

j. Floor Finishes:

1. Carpet materials must meet FHA minimum standards.
2. Resilient flooring materials must meet FHA minimum standards.

k. A minimum of two hard-wired with battery back-up smoke detectors are required per unit. Townhomes must have a minimum of one smoke detector upstairs.

l. A carbon monoxide detector must be installed in each unit with gas mechanical systems or appliances. Units with an attached garage must also have a carbon monoxide detector installed.

m. All units pre-wired for cable television hook-ups in the living room and one (1) per bedroom.

6.) Plumbing and Mechanical Equipment:

a. Water heaters must be high efficiency with a 0.95 EF minimum. Water heaters must be placed in drain pans with drain piping plumbed to the outside or to an indirect drain connected to the sanitary sewer system. Water heater T&P relief valve discharge must meet applicable building code requirements.

b. Through-wall HVAC units are not permitted in residential units except in efficiency units.

c. CPVC supply piping is not allowed for interior space in-wall or overhead services.

d. HVAC units and water heaters are not permitted in attic spaces. HVAC units must be installed in Mechanical Closets with insulated walls located within the living unit. Water heaters are to be located within the living unit.

e. HVAC refrigeration lines must be insulated.

f. HVAC 14 SEER or greater must be used.

IV. Single Family Rental Homes

The following outline of minimum standards must be used in designing Housing Credit and HOME projects of twelve or more units and consist of single-family. All single-family homes must be new construction.

Minimum Building Standards:

1.) Minimum Unit Net Area Requirements:

Minimum Bedroom Net Area is measured from the interior faces of all walls surrounding each bedroom, excluding closets, mechanical rooms, and storage rooms.

Unit Type	Number of Bathrooms	Minimum Unit Net Area*	Minimum Bedroom Net Area*
3 Bedroom	2	1,200 s.f.	120 s.f.
4 Bedroom	2	1,455 s.f.	120 s.f.

****Note 1**: Unit areas do not include outside storage, covered porches, patios, balconies, etc.*

2.) All single-family rental homes must have a minimum of thirty (30) feet of building facing the front street. These thirty (30) feet must be the sum of all front-facing dimensions adjacent to conditioned space and can include the "common" wall which is part of a front-facing garage as long as this wall is front-facing and conditioned on one side.

3.) All single-family rental homes must have a minimum of thirty (30) feet front yard building set-back from the curb. Each home must have a minimum of ten (10) foot side yards. (Minimum width of lot shall be fifty (50) feet.) Both lot width and side yard setbacks can be modified with the following exception: A ten (10) foot side yard setback on one lot side and a "zero lot line" setback on the other (thus, a forty (40) foot minimum lot width) will be allowed with a front-facing garage.

4.) All single-family rental homes must have a minimum of three (3) different front and rear elevation designs. No identical front elevations may be built next to each other.

5.) All single-family rental homes must have a minimum of three (3) different color schemes.

6.) Exterior Building Standards:

a. Exterior Finishing Materials:

1. Exterior building coverings: Very low maintenance materials are required. Acceptable materials include:
    a. Brick;
    b. High quality vinyl siding with a minimum thickness of .044 and a lifetime non-prorated limited warranty (50 year) transferable;
    c. Cementitious siding and trim material; or
    d. Engineered composite siding and trim material.

    All siding materials listed above are required to be 12 inches above the finished floor elevation of the building ground floor, with the exception of concrete patio and covered breezeway areas. Brick decorative block or cultured stone must be used as an apron material.
2. Fascia and soffit: Must be prefinished vinyl, prefinished aluminum, cementitious trim or engineered composite trim. Material used for soffits must be perforated or vented.
3. Windows frames and sashes are to be constructed of vinyl-clad wood, solid extruded vinyl, fiberglass, or aluminum and all windows are required to have screens.
4. Materials for entry doors are to be metal-clad wood, fiberglass, or hollow metal construction. "Peepholes" and deadbolt locks are required in entry doors. Dead bolt locks on entry doors must have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited. Minimum clear width of all exterior doors must be 34 inches.
5. Roofing materials: Anti-fungal shingles or metal roof with 30-year warranty or better must be used.
6. Roof gable vents must be made of aluminum or vinyl materials. All roof penetrations must be located on the rear most section of the roofline.
7. All attics must be vented.
8. Exterior shutters are required on all single-family homes.
9. Units where a conventional wood frame foundation system is used, a non-wood

"maintenance-free" composite decking material may be used at porches above a pressure treated wood framing system.

b. Other Exterior Standards:

1. Exterior lighting is required at entry doors.
2. Address numbers are to be clearly visible.
3. Two parking spaces for each home.
4. Metal flashing or 20 mil polyethylene when used in conjunction with self-adhering polyethylene laminate flashing, must be installed above all exterior door and window units.
5. A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable landscape municipal ordinance. At a minimum, 20 feet of solid sod must be provided (if ground space allows) from all sides of every building and between all buildings and paved areas. All disturbed areas must be seeded. All rental units must have minimum of two (2) trees per unit and twelve (12) 1 gallon shrubs per unit.
6. Concrete curbing is required along all paved areas throughout the development site, including parking areas. Six (6) inch raised curbs and gutter design is required. No valley curbs allowed.
7. Sidewalk access to the front door and the driveway must be provided.
8. A lighted project sign including the Fair Housing logo is required. Depending on the placement as it relates to the access of the property from the public road, the project's sign may require the project's name and Fair Housing logo on both sides of the sign.
9. A minimum of one trash dumpster or compactor enclosed on a minimum of 3 sides is required. The trash dumpster/compactor enclosure must be ADA accessible and have a concrete apron. If the dumpster itself is not accessible, trashcans must be placed within the enclosure for use by handicap tenants. Individual trash receptacle at each home may be provided instead of a single trash dumpster.
10. Continuous asphalt or concrete paved access road must be provided to the entrance of the development.
11. All community parking must be asphalt or concrete. An asphalt or concrete paving recommendation letter must be provided with the application by a geotechnical engineer.
12. All sidewalks and walkways must be concrete and at least 36 inches wide. All public buildings, community building and amenities must be connected to the dwelling units by a sidewalk or walkway on one side of the street throughout the development.
13. All driveways must be concrete.
14. Mailboxes, playground and all exterior project amenities must be ADA accessible. All exterior project amenities that have exposed components used as part of the structure must be constructed so that no wood is exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementitious materials. Decorative rails and/or guard rail systems used shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed. Gazebos and picnic shelters shall have table(s) with attached bench seating.
15. No above ground propane tanks allowed on the site.
16. All onsite utilities must be underground.

17. Storm Water retention basins must include fencing around the entire perimeter and a lockable maintenance gate. The retention area will be maintained and managed in a manner to provide safety to the tenants. Including preventing vermin, insect and reptile infestation, vegetation overgrowth, and must be kept free of all trash and debris.

8.) Interior Building and Space Standards:

a. Wall Framing:

Walls may be framed using metal studs in lieu of wood.

b. Insulation Requirements:

1. Exterior wall insulation must have an overall R-13 minimum for the entire wall assembly.
2. Roof or attic insulation must have an R-38 minimum.
3. Vapor retarders must be installed if recommended by project architect.

c. Kitchen spaces:

1. 6 1/2-inch deep double bowl stainless steel sink is required in each unit.
2. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units. Each unit must also contain either fire protection canisters above the cooktop surface or temperature limiting plates on the cooktop surface.
3. New cabinets must have dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets shall meet the ANSI/KCMA A161.1 performance and construction standard for kitchen and vanity cabinets. Cabinets shall bear the certification seal of KCMA (Kitchen Cabinet Manufacturers Association).
4. A pantry closet or pantry cabinet is required in each unit. The pantry must be 1’6” x 1’6” deep with a minimum five shelves, located in or adjacent to the kitchen.
5. A 4 foot fluorescent light fixture is required.
6. All appliances must be Energy Star rated.
7. A grease shield is required behind ranges on the wall.

d. Bathroom Spaces:

1. Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in walls as per Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with “factory-installed grab bars” where the tub surrounds are reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tub surrounds are not reinforced fiberglass, hard tile or cultured marble or composite materials; solid wood blocking must be installed to meet Fair Housing guidelines.
2. Water closets must be installed to comply with applicable ANSI, UFAS and Fair Housing accessibility guidelines.

3. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6’-0” above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14” x 24”.
4. Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units. All cabinets in designated handicap accessible units must be installed in compliance with applicable ANSI or UFAS guidelines.

e. Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards.

f. All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with the applicable Fair Housing design standards. All interior doors to habitable spaces in designated handicap accessible units must have a minimum width of 36 inches. All interior doors to habitable spaces in all other units must have a minimum clear width of 30 inches.

g. Separately switched overhead lighting is required in each room. Energy Star ceiling fans with light kits are required in the living room and each Bedroom.

h. Window treatments are required for all windows.

i. Sliding glass doors and bi-fold doors are prohibited.

j. Floor Finishes:

1. Carpet materials must meet FHA minimum standards.
2. Resilient flooring materials must meet FHA minimum standards.

k. A minimum of two hard-wired with battery back-up smoke detectors is required per unit.

l. A carbon monoxide detector must be installed in each unit with gas mechanical systems or appliances. Units with an attached garage must also have a carbon monoxide detector installed.

9.) Plumbing and Mechanical Equipment:

a. Water heaters must be high efficiency with a 0.95 EF minimum. Water heaters must be placed in drain pans with drain piping plumbed to the outside or to an indirect drain connected to the sanitary sewer system. Water heater T&P relief valve discharges must be direct to exterior of building and elbow down to 6” above finish grade.

b. Through-wall HVAC units are not permitted in single-family homes.

c. CPVC supply piping is not allowed for interior space in-wall or overhead services.

d. HVAC refrigeration lines must be insulated.

e. HVAC 14 seer or greater must be used. HVAC equipment must be placed so that their operation does not interfere with the comfort of the adjacent dwellings.

V. For Attached Rehabilitation of an Existing Building

The following outline of minimum standards must be used in designing Housing Credit projects of twelve or more units.

Minimum Building Standards:

1.) Minimum Apartment Unit Net Area Requirements:

Net area is measured from the interior finished face of the exterior wall to the interior finished face of the common or tenant separation wall.

1 Bedroom Unit	600 s.f.
2 Bedroom Unit	775 s.f.
3 Bedroom Unit	1,000 s.f.

Minimum Bedroom Net Area is measured from the interior faces of all walls surrounding each bedroom, excluding closets, mechanical rooms, and storage rooms.

No units may contain a bedroom of less than 90 square foot.

*Note 1: Net unit areas do not include outside storage, covered porches, patios, balconies, etc.

2.) Exterior Building Standards:

a. Exterior Finishing Materials:

1. Exterior building coverings: very low maintenance materials are required. Acceptable materials include:
   a. Brick;
   b. High quality vinyl siding with a minimum thickness of .044 and a lifetime non-prorated limited warranty (50 year) transferable; or
   c. Cementitious siding and trim material.
   d. Engineered composite siding and trim material.

   All siding materials listed above are required to be 12 inches above the finished floor elevation of the building ground floor, with the exception of concrete patio and covered breezeway areas. Brick, decorative block or cultured stone must be used as an apron material.

2. Fascia and soffit: Must be prefinished vinyl, prefinished aluminum, cementitious trim or engineered composite trim. Material used for soffits must be perforated or vented.
3. Windows frames and sashes are to be constructed of vinyl-clad wood, solid extruded vinyl, fiberglass, or aluminum and all windows are required to have screens.
4. Materials for entry doors are to be metal-clad wood, fiberglass, or hollow metal construction. "Peepholes" and deadbolt locks are required in entry doors. Dead bolt locks on entry doors must have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited. Minimum clear width of all exterior doors must be 34 inches.
5. No Mansard Roofs are allowed. Roofing materials: Anti-fungal shingles or metal roof with 30-year warranty or better must be used.
6. Roof gable vents must be made of aluminum or vinyl materials.
7. All attics must be vented.
8. Exterior shutters are required on all 100% Brick or vinyl siding buildings.
9. Handrails and pickets must be constructed from steel or aluminum.
10. Patio and porch/balcony components used as part of the building must have concrete slabs or decks and must be constructed so that no wood is exposed. Concealment must be with materials such as aluminum, vinyl, cementitious materials trim or engineered composite trim. Structural wood columns must be at a minimum 6" x 6 pressure treated columns concealed as noted above or properly sized columns of fiberglass, steel, high density urethane or aluminum. Decorative rails and/or guard rail systems used at porches and patios must be code compliant systems of vinyl, fiberglass, steel or aluminum. Wooden support posts must be installed to prevent degradation (rotting) to ends of posts and to provide for structural and anchoring of post to slab. Wood railings are not allowed.

b. Other Exterior Standards:

1. Adequate exterior lighting is required at entry doors.
2. Address numbers are to be clearly visible.
3. Metal flashing or 20 mil polyethylene when used in conjunction with a self-adhering polyethylene laminate flashing, must be installed above all exterior door and window units.
4. A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable landscape municipal ordinance. At a minimum, 20 feet of solid sod must be provided (if ground space allows) from all sides of every building and between all buildings and paved areas. All disturbed areas must be seeded. If bare spots or erosion exist in current landscaping, the area must be sodded. Landscaping around and between the buildings is allowed. One 2" caliper tree per unit and Six 1 gallon shrubs per unit.
5. Sidewalk access to all parking spaces must be provided. Where the

accessible route on the site crosses a vehicular roadway, crosswalk lines are required. They shall not be less than 6 inches or greater than 24 inches in width.

6. A lighted project sign including the Fair Housing logo is required. Depending on the placement as it relates to the access of the property from the public road, the project's sign may require the project's name and Fair Housing logo on both sides of the sign.
7. A minimum of one enclosed on a minimum of 3 sides trash dumpster or compactor is required that is enclosed. The trash dumpster/compactor enclosure must be ADA accessible and have a concrete apron. If the dumpster itself is not accessible, trashcans must be placed within the enclosure for use by handicap tenants.
8. Continuous asphalt or concrete paved access road must be provided to the entrance of the development.
9. All parking must be asphalt or concrete. An asphalt or concrete paving recommendation letter must be provided with the application by a geotechnical engineer.
10. All sidewalks and walkways must be concrete and at least 36 inches wide. All public building, community building and amenities must be connected to the dwelling units by a sidewalk or walkway.
11. Mailboxes, playground and all exterior project amenities must be on an accessible route as defined by the Fair Housing Guidelines. All exterior project amenities that have exposed components used as part of the structure must be constructed so that no wood is exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementitious materials. Decorative rails and/or guard rail systems used shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed. Gazebos and picnic shelters shall have table(s) with attached bench seating.
12. No above ground propane tanks allowed on the site.
13. Storm Water retention basins must include fencing around the entire perimeter and a lockable maintenance gate. The retention area will be maintained and managed in a manner to provide safety to the tenants. Including preventing vermin, insect and reptile infestation, vegetation overgrowth, and must be kept free of all trash and debris.

3.) Interior Building and Space Standards:

a. Insulation Requirements:

Roof or attic insulation must have an R-38 minimum.

b. Kitchen spaces:

1. A minimum 6 1/2-inch deep double bowl stainless steel sink is required in each unit.

2. Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in accessible units. Each unit must also contain either fire protection canisters above the cooktop surface or temperature limiting plates on the cooktop surface.
3. New cabinets must have dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets must meet the ANSI/KCMA A161.1 performance and construction standard for kitchen and vanity cabinets. Cabinets must bear the certification seal of KCMA (Kitchen Cabinet Manufacturers Association).
4. A pantry closet or pantry cabinet is required in each unit. The pantry must be 1’6” x 1’6” deep with a minimum five shelves, located in or adjacent to the kitchen.
5. A 4 foot fluorescent light is required.
6. All appliances must be Energy Star rated.
7. A grease shield is required behind ranges on the wall.

c. Bathroom Spaces:

1. Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in walls as per Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with “factory-installed grab bars” where the tub surrounds are reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tub surrounds are not reinforced fiberglass, hard tile or cultured marble or composite materials; solid wood blocking must be installed to meet Fair Housing guidelines.
2. Water closets must be installed to comply with applicable ANSI, UFAS and Fair Housing accessibility guidelines.
3. Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6’- 0” above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14” x 24”.
4. Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units. All cabinets in designated handicap accessible units must be installed in compliance with applicable ANSI or UFAS guidelines.

d. Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards.

e. All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with the applicable Fair Housing design standards. All interior doors to habitable spaces in designated handicap accessible units must have a minimum clear width of 36 inches. All interior doors to habitable spaces in all other units must have a minimum clear width of 30 inches.

f. Separately switched overhead lighting is required in each room. Energy Star ceiling fans with light kits are required in the living room and each bedroom.

g. Window treatments are required for all windows.

h. Sliding glass doors and bi-fold doors are prohibited.

i. Floor Finishes all flooring must be replaced:

1. Carpet materials must meet FHA minimum standards.
2. Resilient flooring materials must meet FHA minimum standards.

j. A minimum of two hard-wired with battery back-up smoke detectors is required per unit. Townhomes must have a minimum of one smoke detector upstairs.

k. A carbon monoxide detector must be installed in each unit with gas mechanical systems or appliances. Units with an attached garage must also have a carbon monoxide detector installed.

l. All units pre-wired for cable television hook-ups in the living room and one (1) per bedroom.

4.) Plumbing and Mechanical Equipment:

a. Water heaters must be high efficiency with a 0.95 EF minimum. Water heaters must be placed in drain pans with drain piping plumbed to the outside or to an indirect drain connected to the sanitary sewer system. Water heater T&P relief valve discharge must meet applicable building code requirements.

b. Through-wall HVAC units are not permitted in residential units except in efficiency units.

c. HVAC units and water heaters are not permitted in attic spaces. HVAC units must be installed in Mechanical Closets with insulated walls located within the living unit. Water heaters are to be located within the living unit.

d. HVAC refrigeration lines must be insulated.

e. HVAC 14 seer or greater must be used. On single-family homes the HVAC equipment must be placed so that their operation does not interfere with the comfort of the adjacent dwellings.

f. Units with existing washer/dryer connections must replace and install new water supply fixtures and valves.

VIII. Reports and Inspections

AHFA will engage a third-party construction consultant to review the final plans and specifications prior to construction for each approved project to ensure that it meets all applicable requirements of AHFA's Design Quality Standards and Construction Manual. The applicant/owner, project architect and general contractor will certify that the project meets the federal Fair Housing Amendments Act, the Americans with Disabilities Act and all additional accessibility requirements at the time of the submittal of the final plans and specifications, the completion of the project and the issuance of the IRS Form 8609. In addition to the plans and specification review, AHFA has the right to inspect the project during the following phases of development:

1. During construction;
2. At the completion of construction and
3. Prior to issuance of the IRS Form 8609.

The applicant will be responsible for the actual cost of work completed by AHFA designated consultants.

Addendum D

HOME
HOME Action Plan for 2016 Funds

Compliance Monitoring Procedures, Requirements and Penalty Criteria

As referenced in Section VII ("Compliance") of the HOME Action Plan for 2016 funds ("HOME Action Plan"), the AHFA Compliance department will conduct monitoring procedures and requirements to ensure owner and project are in compliance with the HOME regulations. These compliance monitoring procedures apply to all buildings placed in service in Alabama, which have received an allocation of HOME funds from AHFA. A complete outline of AHFA's compliance requirements is located in AHFA Compliance Manual available at *www.ahfa.com*.

I. Compliance Monitoring Procedures and Requirements:

A. AHFA will verify that each owner of a HOME project is maintaining records for each qualified HOME building in the project. These records must show, for each year in the affordability period, the information required by the record-keeping provisions contained in the HOME regulations, incorporated herein by reference.

B. AHFA will verify that the records documenting compliance with the HOME regulations for each year as described in Paragraph A above are retained for the entire affordability period.

C. By April 1st of each year, AHFA must receive from the owner of each HOME funded project combined with Housing Credits or each HOME only funded project, the applicable Annual Owner's Certification (AOC), under penalty of perjury, as provided in Section 1.42-5(c)(1) of the Treasury Regulations. The AOC package will include the signed Owner Certification and rent roll as of December 31st of the previous year. Penalty points as described in Section II (A) of Addendum E will be applied if an owner fails to provide an AOC package by April 1st of each year. Continued failure to submit the AOC package to AHFA within thirty (30) days after written notification of non-receipt by AHFA will result in a fee. A complete list of AHFA's fees (from notification of approval of awards through the extended use period) is located at www.AHFA.com.

   Each owner must also enter all required tenant data into the AHFA Online Data Management System (AHFA DMS) by February 1st of each year. The required tenant data must be for all tenant events including all move-in and move-out occurrences, income recertification, and transfer of tenants through the previous year ended December 31st.

D. By May 1st of each year, the owner or owner's management company must also submit an updated Capital Maintenance Plan (CMP) to AHFA. Each CMP must be completed in the manner as defined by AHFA:

   The owner must maintain a written CMP for each project that complies with 24 C.F.R.

Section 92.251 during the term of the HOME Loan. The written CMP for each project must be available for AHFA review at any time, upon request. At a minimum, and without limiting the foregoing, the CMP must include the following components:

1. **Annual Physical Needs Summary**: This summary shall provide an estimate of all the planned and anticipated repairs, replacements, and significant deferred and other maintenance items that will need to be addressed within the next 12 months. It should take into consideration anticipated unit turn-over, physical assessment of grounds/amenities/common areas, and any deferred maintenance items (including reason for deferment). Funding sources for this work must be identified. This summary serves as the short-term action plan for the property management and as a reporting tool for AHFA and the owner. Documentation of repairs (e.g. receipts, before/after photos, completed work orders, etc.) must be maintained through the course of the year. Any additional repairs, replacements, or maintenance completed during the course of the year should also be documented. In addition to the current summary, a copy of the previous year's summary must be provided to AHFA. The previous year's summary must include all repair, replacement, or maintenance performed with the funding source identified or current status of outstanding items with planned remedy, estimated timeline for completion, and funding source identified.
2. **Long-Term Physical Needs Summary**: This summary shall provide an estimate of the repairs and replacement items beyond the first year which are required to maintain the development's physical integrity over the term of the HOME Loan. Items to be addressed include major structural systems (e.g. stairs, balconies, pavements, sidewalks, etc.) and interior components (e.g., appliances, flooring, lighting/plumbing fixtures, etc.) which, based on the expected useful life (EUL), require replacement during this period. Prior to the Loan closing, the owner shall present to AHFA, for review and approval, a sample version of the capital maintenance tracking system intended for use over the term of the HOME Loan. This maintenance tracking system should be continually updated by management and should address units during turn over as well as units occupied by long-term tenants. Sources of funding for the planned replacements must be identified.
3. **Analysis of Reserves for Replacement**: This analysis will provide an estimate of the initial and monthly deposit to the Replacement Reserve Account needed to fund the development's long-term physical needs during the term of the HOME Loan. This plan will account for inflation, the existing Replacement Reserve balance, and the Expected Useful Life (EUL) of major building systems. This analysis should include the costs of twelve (12) month annual physical needs, but not any work items that would be considered an operating expense.

E. AHFA will inspect each active HOME project on an annual basis. AHFA will also review the income certification, the documentation the owner has received to support that certification and the rent records in those projects for at least twenty-five percent (25%) of the HOME units. AHFA will also conduct a physical inspection of at least twenty percent (20%) of the HOME units in each project selected for tenant file review. Additional household files and/or units may be inspected up to one-hundred percent (100%) if deemed necessary by AHFA's compliance team.

F. The owner must allow AHFA or its designated representative to perform additional on-site inspections of any HOME building in a project through the end of the affordability period. These additional inspections are separate from any review of tenant files or units under Paragraph E. Inspections performed outside of Paragraph E will be at the expense of the owner. Each unit or building inspection will be performed using the Uniform Physical Condition Standards (UPCS) guidelines established by HUD. The UPCS standards and related definitions provided by HUD (http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf) provide guidance for at least five hundred twenty (520) compliance protocols.

G. AHFA will promptly notify the owner in writing if AHFA does not receive the AOC, or is not permitted to inspect and review as described in Paragraphs E and F, or otherwise discovers that the project does not comply with the HOME regulations. In such event, the owner will be informed in writing of the stipulated period to supply missing documentation or to correct noncompliance commencing on the date of the notification letter.

H. AHFA may notify HUD of an owner's noncompliance or failure to certify no later than forty-five (45) days after the end of the time allowed for correction and no earlier than the end of the correction period, whether or not the noncompliance or failure to certify is corrected.

I. AHFA will charge fees to cover the ongoing administrative expenses in monitoring compliance and to collect all expenses incurred in carrying out its duties as the Housing Credit agency, including, but not limited to, reasonable fees for legal and professional services. (Reference Chapter 1 Section 1.4 of AHFA's compliance manual.)

J. Within ninety (90) days of the close of each fiscal year during the affordability period, the owner will furnish to AHFA, an audited financial statement, prepared by a licensed Certified Public Accountant, and a rent roll for each project. These items are to be certified by the owner.

K. Compliance with requirements of the HOME regulations is the responsibility of the owner of the building for which HOME funds are loaned or granted. AHFA's obligation to monitor for compliance with the requirements of the HOME regulations does not make AHFA or the State of Alabama liable to any owner or to any shareholder, officer, director, partner, member or manager of any owner or of any entity comprising any owner for an owner's non-compliance therewith.

L. It is the policy of AHFA to immediately report to the appropriate federal department and the cognizant inspector general of such department any indication of fraud, waste, abuse, or potentially criminal activity pertaining to federal funds.

M. The owner must submit a completed copy of part two of the 8609 upon completion by the owner's certified public accountant.

N. The owner must retain any health, safety, or building code violation reports issued by any regulatory or third party entity until reviewed by AHFA during a site inspection of the property.

II. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria

Consistent with the monitoring procedures described above, AHFA will assess automatic point deductions to each owner and each management company based on the twenty-five (25) items defined in Section II E herein. According to the UPCS standards and related definitions provided by HUD (http://www.hud.gov/offices/reac/pdf/pass_dict2.3.pdf), there are at least five hundred and twenty (520) items that can be subject to compliance penalty point deductions, and the items that AHFA has identified in this Addendum as automatic point deductions were selected from the list of penalty point deduction items listed in the UPCS standards. AHFA expects, at minimum, that each owner and management company will develop a routine inspection protocol to ensure the items defined in Section II E are regularly inspected by their respective staff on an ongoing basis. The automatic point deduction categories address health and safety concerns, sanitary nature and habitable living conditions of each unit and project, and AHFA standards for minimal record-keeping practices. Since AHFA will generally provide up to a three (3) day notice with regard to scheduling compliance inspections, no cure period will be allowed for items defined under Section II E.

The automatic penalty point deductions will **not** be deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle until the cumulative total of all automatic penalty point deductions collected during the previous year (January 1st through December 31st) are above four (4) points. If an applicant's cumulative total of all automatic penalty point deductions is five (5) points or more the total of **all** automatic penalty point deductions **will be** deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle. All penalty points will be assessed to both the owner and the management company for the current cycle as follows:

A. One (1) penalty point will be deducted for each project for which the owner does not submit the correct and complete AOC form and the previous year ended Rent Roll to AHFA's Compliance Department by April 1st of each year. Failure to submit the AOC to AHFA within thirty (30) days after written notification of non-receipt will result in a late fee. A complete list of AHFA's fees (from notification of approval of awards through the extended use period) is located at www.AHFA.com.

B. AHFA will review all results of third party inspection reports it receives from any local, state, federal or financial entity or institution with an interest in the project which contains noncompliance issues as defined in the HOME Action Plan. AHFA will apply applicable point deductions for items of noncompliance found in any third party report in accordance with Section II (E) of this Addendum.

C. Two (2) additional penalty points will be assessed per occurrence to each owner for each project with uncorrected noncompliance issues from the project's most recent AHFA audit.

D. AHFA will suspend or permanently ban any owner from applying for funding or any management company from participating in an application according to the following criteria:

   a. If an owner is assessed a cumulative total of ten (10) penalty points or more for all AHFA projects audited and/or inspected as of December 31st, the owner will be suspended from applying for any AHFA funded multifamily program (low-income housing credit, HOME or multifamily tax-exempt bond) for the current plan year's application cycle and any funding out of cycle. If a management company is assessed a cumulative total of ten (10) penalty points or more for all AHFA projects audited and/or inspected as of December 31st, the management company will be suspended from participating on any multifamily program applications in the current plan year's application cycle and any funding out of cycle. (low-income housing credit, HOME or multifamily tax-exempt bond)
   b. If an owner is prohibited from participating for five (5) consecutive calendar years, the owner will be permanently banned from applying for any AHFA funded multifamily programs. (low-income housing credit, HOME or multifamily tax-exempt bond) If a management company is prohibited from participating on any application for five (5) consecutive calendar years, the management company will be permanently banned from participating on any multifamily program applications for any AHFA funded multifamily programs. (low-income housing credit, HOME or tax-exempt bond)

E. The following point deductions discussed in Subsections a, b, and c below are not intended to supplant or usurp applicable local or other building codes. Penalty points will be deducted if the owner or the management company's approved and/or active projects are deemed by AHFA not to be in compliance with the applicable guidelines and regulations for any of the following: Section 42 of the Internal Revenue Code, the HOME program, AHFA Housing Credit Qualified Allocation Plan (QAP) and HOME Action Plan, the Tax Credit Assistance Program (TCAP) or the Exchange Program. Point deductions will be based on AHFA's QAP and HOME Action Plan for the applicable year and will cover audits and inspections conducted January 1st through December 31st of the year preceding the current HOME Action Plan Year. If an applicant has not had at least one AHFA-funded property audited and inspected during the applicable period, AHFA will perform an audit of an existing property owned by the applicant during the application cycle in accordance with AHFA's established policies and practices for onsite audits, and applicable point deductions for non-compliance, if any, will be determined based upon this audit. Points will be assessed to the owner or management company of record at the time of inspection unless ownership or management company changes have occurred within the last six (6) months. Point deductions for the HOME Action Plan will be based on the following methodology:

a. Health and Safety Deficiencies - Two (2) penalty points per occurrence (or collectively per project audited if the same deficiency) will be assessed for health and safety deficiencies, if cited as a finding at the time of inspection by AHFA (its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general verbal summary of the deficiencies identified during the visit to the representatives of the owner and/or the management company who are present at that time. AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically upon discovery and regardless of whether the identified deficiencies are cured. In addition, four (4) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The health and safety deficiencies that will result in automatic penalty point deductions are as follows (the "Health and Safety Deficiencies"):*

i. Missing, non-charged or empty fire extinguishers (for properties funded under the 1999 HOME Action Plan and thereafter) for more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II (E) (e) herein.

ii. Missing or non-working smoke detectors for more than twenty-five percent (25%) of the total units inspected. A missing or non-working smoke detector is defined as not having at least one operable smoke detector per floor for each apartment unit inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II (E) (e) herein.

iii. Missing fire canisters above the cooktop surface or temperature limiting plates on the cooktop surface (applies to properties funded under the 2013 HOME Action Plan and thereafter) for more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II (E) (e) herein.

iv. Exposed electrical wiring or electrical hazards including, but not limited to, missing, damaged or improperly installed cover plates, wire guards which leave connections exposed or missing fuse box blanks. Exposed electrical wiring or electrical hazards located in a locked area where the resident(s) cannot gain access will need to be repaired but will not cause a penalty point deduction.

v. Insect infestation (based on visible presence, damage or reports), including, but not limited to, owner's failure to notify AHFA of any bed-bug infestation.

vi. Mold or mildew in more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II (E) (e) herein.
vii. Severe damage, including, but not limited to tripping hazards to sidewalks, parking lots, or other accessible exterior routes.
viii. Missing, broken or loose handrails or steps.
ix. Two (2) additional penalty points will be deducted if the same point deduction items listed above (except for items vii and viii) are found in more than fifty percent (50%) of the total units inspected.

b. <u>Unit Deficiencies</u> - One (1) penalty point per occurrence (or collectively per project audited if the same deficiency) will be assessed for each of the units inspected for any of the deficiencies listed below, if cited as a finding at the time of inspection by AHFA (or its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general verbal summary of the deficiencies identified during the visit to the representatives of the owner and/or the management company who are present at that time AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically and regardless of whether or not the identified deficiencies are cured. In addition, two (2) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The deficiencies that will result in automatic penalty point deductions under this paragraph are as follows (the "Unit Deficiencies"):*

i. Missing or inoperable plumbing fixtures.
ii. Missing or disconnected stoves, dishwashers, or refrigerators.
iii. Missing, improperly installed, affixed, or damaged cabinetry such as extensive mold or damage which would cause the cabinetry to be replaced in the unit.
iv. A missing or damaged drawer in more than twenty-five percent (25%) of the total units inspected. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II (E) (e) herein.
v. Boarded, broken or missing exterior windows or doors.
vi. Units which have been vacant for more than thirty (30) days and are not suitable for occupancy or are found to be unsanitary. A unit which is suitable for occupancy should at a minimum include removal of the previous household's items (furniture, clothing and trash), repairs to the walls and floors completed, cleaned carpets and walls and general maintenance completed to the unit which

creates an overall market readiness. Unrepaired damage to a unit which has been vacant for more than thirty (30) days not caused by a fire, storm, vandalism or natural disaster (while vacant). The owner is responsible for immediately notifying AHFA when damage such as this occurs.

vii. Units unable to be accessed or inspected by AHFA at the time of its inspection/audit due to an owner/owner agent's inability to unlock the unit's exterior door locks prior to AHFA inspectors' exit interview.

viii. One (1) additional penalty point will be deducted if the same point deduction items listed above are found in more than fifty percent (50%) of the total units inspected.

ix. Missing unit amenities as approved in the owner's application in more than twenty-five percent (25%) of the total units inspected, including all amenities selected by the ownership at the time of application without regard for points awarded. The owner must notify AHFA immediately if any unit amenities have been damaged, rendered unusable or subject to replacement upon occurrence, along with a written plan to repair or replace said amenities within a timeframe acceptable to AHFA.

c. <u>Site, Exterior or Common Area Deficiencies</u> - One (1) penalty point per occurrence (or collectively per project audited if the same deficiency) will be assessed for the site, exterior or common area deficiencies listed below, if cited as a finding at the time of inspection by AHFA (or its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general verbal summary of the deficiencies identified during the visit to the representatives of the owner and/or the management company who are present at that time. AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically upon discovery and regardless of whether the identified deficiencies are cured. In addition, two (2) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The site, exterior or common area deficiencies that will result in automatic penalty point deductions under this paragraph are as follows (the "Site, Exterior or Common Area Deficiencies"):*

i. Missing project amenities as approved in owner's approved application, including all amenities selected by the ownership at the time of application whether points were awarded or not. Ownership must notify AHFA **immediately** if any of their project amenities have been damaged, rendered unusable or subject to replacement upon occurrence, along with a written plan to repair or replace said amenities within a timeframe acceptable to AHFA.

d. Documentation or File Deficiencies - One (1) penalty point per occurrence (or collectively per project audited if the same deficiency) will be assessed for the documentation or file deficiencies listed below, if cited as a finding at the time of inspection by AHFA (or its designated representative or other third party). At the conclusion of the onsite visit, AHFA will provide a general verbal summary of the deficiencies identified during the visit to the representatives of the owner and/or the management company who are present at that time. AHFA will provide a formal written notice regarding all applicable deficiencies and will specify the timeframe(s) in which the owner will be required to cure all applicable deficiencies. *Penalty deductions resulting from any deficiencies listed below will be assessed automatically upon discovery and regardless of whether the identified deficiencies are cured. In addition, two (2) additional penalty points will be deducted if the owner fails to cure the deficiencies within the timeframe specified in the deficiencies notice from AHFA. The documentation or file deficiencies that will result in automatic penalty point deductions under this paragraph are as follows:*

i. The failure to obtain an updated utility allowance which results in a household's gross rent being in excess of the applicable gross rent limit.
ii. If over twenty-five percent (25%) of the households in a project are over the applicable income limit. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II (E) (e) herein.
iii. If over twenty-five percent (25%) of files selected for audit are missing. Any findings related to this category that is twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II (E) (e) herein.
iv. If over twenty-five percent (25%) of files selected for audit indicates that tenants are ineligible households due to student rule violations. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II (E) (e) herein.
v. If over twenty-five percent (25%) of the households in a project were charged over the maximum applicable rents. Any findings related to this category that total twenty-five percent (25%) or less will be subject to the penalty criteria as defined in Section II (E) (e) herein.

e. Other General Deficiencies - Two (2) penalty points per occurrence (or collectively per project audited if the same deficiency is cited) will be assessed for other general deficiencies if cited as a finding at the time of inspection by AHFA (or its designated representative) and is uncured after the end of the written specified timeframe to cure the deficiencies. All timeframes for curing deficiencies will be submitted in writing.

General deficiencies include all violations or deficiencies not listed in the preceding paragraphs that are cited as findings during the AHFA onsite audits.

Applicant/Owner(s) with less than three (3) projects funded with Housing Credits or HOME funds awarded by AHFA will be subject to the penalty criteria as specified herein in Section II. AHFA will subject the same scoring criteria to any new applications submitted by any owner/applicants with less than three (3) projects funded with Housing Credits or HOME funds awarded by AHFA if any AHFA or non-AHFA units inspected by AHFA (or AHFA's designated representative) are cited for any Health and Safety Deficiencies, any Occupied or Vacant Deficiencies, or any Site, Exterior or Common Area Deficiencies.

ATTACHMENT 5

HOME Action Plan Summary of Public Comments and AHFA Responses

CITIZEN PARTICIPATION PROCESS AND SIGNIFICANT CHANGES

2016 HOUSING CREDIT QUALIFIED ALLOCATION PLAN
AND
2016 HOME ACTION PLAN

In accordance with Section 42 of the Internal Revenue Code and the HOME Regulations, notices of the Public Hearing and the 30-day public commenting period for the 2016 HOME Action Plan and 2016 Housing Credit Qualified Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers. The Alabama Housing Finance Authority (AHFA) emailed more than 1,155 notices of the draft Plans' availability to interested parties, requesting that they submit written comments regarding the proposed Plans by November 6, 2015. During the designated commenting period, AHFA received written comments from 41 individuals and organizations that comprised of 150 total comments. AHFA has prepared formal responses to these comments and has revised the Plans where appropriate. *Please see the attached Summary of Substantial Comments Received and Responses by AHFA.* When the Plan revisions have been finalized and approved, the Plans will be available for review in their entirety at the following AHFA website link:

http://www.ahfa.com/multifamily/allocation_application_info.aspx.

AHFA wishes to thank the many individuals and organizations who provided comments during the commenting period. As the administrator of the Plans, AHFA's goal is to develop written criteria for the Plans that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction, acquisition and rehabilitation, adaptive reuse, etc.); diverse target populations (family, elderly, disabled, handicapped, mobility or sensory impaired, homeless etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, our greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding.

To that end, please keep in mind that certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, please consider that the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards that significantly exceed AHFA standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project's costs exceed AHFA's definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come, first served basis, and subject to the criteria and requirements of the applicable Plan.

Attached:

1. Citizen Participation Summary of Substantial Comments Received and Responses by AHFA
2. 2016 Housing Credit Qualified Allocation Plan and HOME Action Plan Summary of Public Comments and AHFA Responses

---

Summary of Substantial Comments Received and Responses by
AHFA 2016 HOUSING CREDIT QUALIFIED ALLOCATION PLAN
AND
2016 HOME ACTION PLAN

The following is summary of substantive changes made to the Plans based on all comments received; however, other changes were made to the Plans consisting of language clarifications, and the replacement or reorganization of certain sections of text to provide further explanation of the requirements and program guidelines. A detailed summary of all comments received during the commenting period along with responses by AHFA can be found in their entirety at the following AHFA website link: http://www.ahfa.com/multifamily/allocation_application_info.aspx.

HOME Action Plan

- Applying for HOME Funds (Section III.G.14, pages 12-13): If HOME funds are available after the competitive application cycle; AHFA may consider an application under AHFA's Multifamily Housing Revenue Bond program for new construction application(s) that meet the HOME Plan, applicable Housing Credit Qualified Allocation Plan and Multifamily Housing Revenue Bond Policy.

Housing Credit Qualified Allocation Plan (QAP)

- Project Inspection Fee (Section I.D.3., page 10): A minimum fee of $5,000 must be paid, at the time of the initial application submission, for an on-site inspection for each 2016 application which contain one (1) or more owner(s) with ownership in less than three (3) placed-in-service projects funded with Housing Credits or HOME funds awarded by AHFA.

  Applicants must consent to an on-site inspection by AHFA (or AHFA's designated consultant) of any of such owner's existing projects, including physical inspections of building and units as deemed necessary by AHFA. AHFA will select one (1) property for inspection for applicants with less than six (6) non-AHFA projects and up to three (3) properties for inspection for applicants with more than six (6) non-AHFA projects based on the Schedule of Real Estate form submitted with the application.

- Application Threshold Requirements - Site Location (Section JI.C.12, pages 14-15): A HFA will not consider any application (for a new construction project or rehabilitation project that is less than 50% occupied) if the proposed project is located with a two mile radius of an AHFA project approved during 2014 and 2015 cycle that has not placed in service and is 90% or more occupied at the time of application. The radius must be determined by using a starting point at the centroid (geometric center) of the proposed project's site and measured using Geographic Information System (GIS) maps.

Point Scoring System – Addendum A

- Project Characteristics: (Section A. l. (i) (a), page 4): A car wash station was added to the 2-point amenity category. At a minimum, the car wash station must include a dedicated space, wall/ceiling boom with spray wand and fixed mount vacuum.

- Energy/Water Conservation and Healthy Living Environment (Section A. I .(ii)(c.), page 5): Four
  (4) points were added for EPA 's Partnership Program "WaterSense" labeled water closet, faucets (bathroom and kitchen) and showerheads.

- Census Tract Location: (Section A. l. (vii.)(a.)(2), pages 7-8) Awarding points for application(s) solely on a majority-minority racial demarcation concerning the population census tract may negatively impact urban revitalization efforts. This would be a concern especially in large cities where due to limited housing opportunities available for low income residents, the benefits of affordable housing in a particular neighborhood or census tract outweighs the possibility of increased minority concentration. Therefore, AHFA removed from the proposed Plan an award of points based on a project's location in a census tract where the minority population does not exceed 50 percent based on 2010 Census Summary File 1 tables.

The points for projects located in a census tract where the Median Family Income from the 20 I0 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2015 Annual Median Family Income published by HU D was revised as follows:

- l point for 80% to less than 100%
- 2 points for 100% or more

- Applicant Characteristics (Section A.2.)(ii), pages 9-10): Points awarded to owners who have previous successful experience in development of multifamily housing since 2005 were reduced from I0 points to 5 points. The number of projects and units required for points were reduced from 10 projects/1,000 units to 5 projects/500 units.

- The points awarded for closing an AHFA HOME loan or receiving 8609's on an AHFA Housing Credit project were removed from the Plans.

- Points Lost - Existing AHFA-Funded Project(s) Approved and/or Placed in Service: (Section B. 1.)(i),(ii), page 10): Five (5) points (for each occurrence) will be deducted if an owner listed in the application made a change from an approved project's original application without prior written consent from AHFA. Five (5 points (for each occurrence) will be deducted if an owner listed in the application is not in compliance with and/or fails to meet a requirement specifically listed in any AHFA document(s), executed agreement(s) without prior written consent from AHFA.

- Points Lost – Non-compliance after the Initial On-Site Inspection (Section B.2.), page 11): Applicants with non-AHFA projects in the state and/or out-of-state will be subject to the same AHFA (Health and Safety, Unit, Site, Exterior and Common Area Deficiencies) requirements defined in Addendum D. The automatic penalty points will be deducted for each non-AHFA project in which AHFA (or AHFA's designated agent) has performed an on-site inspection in connection with an application being submitted during the current QAP or HOME Action Plan Year. The four (4) point threshold does not apply to non-AHFA projects.

Environmental Policy Requirements - Addendum B

- Clarifications providing additional information were made to the Environmental Policy based on the comments received. All AHFA requirements are now specified in the Environmental Policy Requirements.

Design Quality Standards and Construction Manual - Addendum C

- Reports and Inspections: (Section VIII, page 18): AHFA will engage a third-party construction consultant to review the final plans and specifications prior to construction for each approved project to ensure that it meets all applicable requirements of AHFA's Design Quality Standards and Construction Manual. The applicant/owner, project architect and general contractor will certify that the project meets the federal Fair Housing Amendments Act, the Americans with Disabilities Act and all accessibility requirements at the time of the submittal of the final plans and specifications, the completion of the project and the issuance of the IRS Form 8609. In addition to the plans and specification review, AHFA has the right to inspect the project during construction, at the completion of construction and prior to the issuance of the IRS Form 8609. The applicant will be responsible for the actual cost of the work completed by AHFA designated consultants.

Compliance - Addendum D

- Penalty Scoring, Fees for Non-compliance and Suspension Criteria (Section II, pages 3-4): The automatic penalty point deductions will not be deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle until the cumulative total of all automatic penalty point deductions collected during the previous year (January 1st through December 31st) are above four (4) points. If an applicant's cumulative total of all automatic penalty point deductions is five (5) points or more the total of all automatic penalty point deductions will be deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle.

- Health and Safety Deficiencies (Section II.E.a.iv., page 6): Exposed electrical wiring or electrical hazards located in a locked area where the resident(s) cannot gain access will need to be repaired but will not cause a penalty point deduction.

Included is a chart (2016 Housing Credit Qualified Allocation Plan and HOME Action Plan Summary of Public Comments and AHFA Responses) that documents the Plan section, section reference, page number, commenter's name and company, and excerpted comments received along with AHFA responses inclusive of recommended revisions to the draft Plans. Again, please note that the comments and any recommended revisions are in an excerpted form. Once the final Plans have been revised and formally approved, we strongly encourage each reader to review the final Plans completely to view any changes made by AHFA in their full context.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
Housing Credit QAP					
	L C. I. Application Criteria	6	Terry Mount, OSI	L C. I.) Omit requirement for telephone and cable letters. Many residents use cell phones in lieu of land lines. Some have phone, video, and internet through a cable company. It is inconceivable that phone and or cable would not be available on a site that meets other criteria. AHFA could consider requiring information on what phone, video, and internet services will be available after a project is selected for funding.	Cable and telephone utility letters will continue to be required at the time of application. Land lines provide emergency services that may otherwise not be accessible.
	LC. I. Application Criteria	6	Amy Montgomery, Gateway	It has become more difficult and competitive to obtain cable and phone letters. Because so many options are available, AAHA believes that allowing applicants to obtain these letters AFTER award enables owners to negotiate the best possible services, costs, rebates, etc. for their site.	
	LC. I. Application Criteria	6	David Morrow, Morrow Realty	A telephone availability letter should not be required to be submitted in the application package. Most residents use cell phone and the requirement for such a letter is outdated. This would allow applicants to spend more time on putting together a quality application instead of chasing down such letters.	
	I. C. 2. Application Criteria	7	Mark Straub, Pennrose Properties Dwayne C. Vaughn, Mobile Housing	4 % Bond - Multiple Awards A single application may be submitted for up to ten developments. These developments may be distributed throughout the City or County.	Multiple applications may be considered under a single pooled bond transaction. However, due to the scattered sites, it is not feasible to submit multiple projects on a single application. Separate applications must be submitted for each site/project.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Board		
	LD. Application Fees	9-11	Amy Montgomery, Gateway	The itemized list of fees has been removed and replaced with a sentence that refers to the AHFA website for a complete list of fees. We were unable to locate such a list. The list of fees should be retained in the QAP or a direct link to the fee list should be provided so it is easily accessible.	A complete list of fees (from notification of approval of awards through the extended use period) is located at the following link: http://www.ahfa.com/multifamily./multifamily_fees.aspx The following Multifamily Housing Revenue Bond application fee was added to the Plan: A $5,000 non-refundable fee must accompany the complete application submitted for consideration for a Declaration of Official Intent. The project inspection fee was increased from $2,000 to $5,000.
	II. A. Application Cycle	11-12	Mark Straub, Pennrose Properties	It is recommended that AHFA consider the following language: AHFA may, in its sole discretion, allocate Housing Credits without the use of application cycles or the point scoring system to: • Any project(s) financed using Multifamily Housing Revenue Bonds as a single or pooled transaction. • Any project placed in service that has already received a Housing Credit allocation,	AHFA will not amend or seek to interpret this comment without justification. Additional information regarding the Governor's designation should have been presented for AHFA's consideration.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				has a final cost certification that indicates the need for an additional allocation, and has been approved for additional credits by AHFA. • Any project eligible for Housing Credits pursuant to any waiver, exception, program or other special action by the Internal Revenue Service. • Any project that must be funded to meet the nonprofit set aside requirement as specified in Section 42(h)(5) of Internal Revenue Code. • Any project specifically identified with the Governor's Special Designation.	
	II.C.5. & 6. Market Study and Environmental Site Assessment	13	Ann Marie Rowlett, Rowlett & Company, LLC	Market Study and Environmental Assessments due at initial application: Providing market studies and Phase I Reports at initial application is a hardship for developers as the final QAP is not released until December. Analysts need 2-3 months lead-time for completing reports (especially with environmental reports as the need for a Phase II can add additional time to complete). As a developer, we try to have our deal(s) ready to go as soon as possible but changes in the final QAP can cause a deal that was considered to be competitive, no longer feasible. Deals change and decisions have to	The deadlines for submitting the market study and environmental site assessment for competitive applications will not change for the 2016 Plan. Multifamily Housing Revenue Bond applicants will be required to submit the Environmental Site Assessment prior to execution of the commitment.

	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				be made AFTER the final QAP comes out. If there is an environmental issue found, then there is no time to complete a Phase II and the deal can't move forward which is costly for developers.	
	II.C.8. Design Quality Standards and Construction Manual	13	Richard Higgins, Lori Harris, Norstar Development	The Addendum references should be Addendum C, Addendum D, and Addendum E; Addendum B is the Environmental Policy.	All Addenda referenced in the Plans are correct. Addendum A -2016 Point Scoring, Addendum B – Environmental Policy Requirements, Addendum C – Design Quality Standards and Construction Manual, and Addendum D -2016 Compliance Monitoring Procedures, Requirements and Penalty Criteria. There is no Addendum E.
	II.C.9 Architect's Certification of Project Progress	13	Amy Montgomery, Gateway	The QAP should provide exceptions for the placement of foundation slabs or crawl spaces for projects that received a reservation letter in 2013 and 2014 where unforeseen delays have occurred. In such circumstances, consider requiring a certification from the architect that sufficient progress is being made to complete such projects by their respective completion dates.	No exceptions will be made to the architect's certification for projects where unforeseen delays have occurred. All building foundation slabs or crawl spaces must be in place on projects that received a reservation letter for Housing Credits and/or HOME Written Agreement in 2013 and 2014.
	II.C.11.Flood Certification	14	Tom Champion, Gulf Coast Housing Partnership, Inc.	C-11: Flood maps along the coast have been redrawn recently so that a great deal of property along the coast is now included within the 100-year flood plain. An example is Downtown Mobile that is in dire need of affordable housing. Downtown Mobile is now largely located in a 100-year flood plain.	The Plan will be amended allow the acquisition/rehabilitation of an existing building to be located in a flood plain as long as acceptable evidence of flood insurance is provided at the time of application.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Since for Housing Credit Only applicants there is an exception for existing residential properties that provide evidence of flood insurance, we recommend this exception be extended to existing Certified Historic Buildings. This will promote both historic preservation and urban redevelopment goals in one of our major cities while not excluding them from the possibility of the much needed new housing.	
	II.C.12. Site Location	14	Sherry Atchison, Volunteers of America Southeast	The 2.5 mile radius of an AHFA project approved during 2014 and 2015 is restrictive in larger markets with high demand. We suggest reducing the radius to two (2) miles.	The 2.5 mile radius restriction will be reduced to a 2 mile radius. The radius must be determined by using a starting point at the centroid (geometric center) of the proposed project's site and measured using Geographic Information System (GIS) maps.
	II.C.12. Site Location	14	Andrew Bailey, Millennia Housing Development	The 2.5 mile radius rule is a great way to ensure adequate distribution of projects across the state, and protect the occupancy of those developments in your portfolio. The exclusion of rehabilitation projects that are well occupied is also a great policy decision.	
	II.C.12. Site Location	14	Tom Champion, Gulf Coast Housing Partnership, Inc.	C-12: In urban areas of denser population with high demand for affordable housing a 2.5 mile radius can and does encompass multiple sub-markets and is too broad a radius. We recommend reducing the radius from 2.5 to 2.0 miles. If this is not acceptable, than at minimum we recommend an exception based on population served, i.e.	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				allowing a senior property to be constructed if the previously constructed property that is not placed in service or 90% occupied is a family property so as not to exclude specific populations in need of housing, particularly in densely populated urban areas.	
	11.C.12 Site Location	14	Mychal Cohen, National Housing Trust	The Alabama Housing Finance Authority (AHFA) should reconsider their restriction on rehabilitation projects within a 2.5 mile radius of other properties recently funded by AHFA . One possible revision would be to create an additional exception for properties with expiring state and local subsidies. The contracts on over 4,400 units of federally subsidized housing will be expiring in the next two years. Though some significant portion of these contracts will be renewed, Low Income Housing Tax Credits (Housing Credits) serve an important role in preserving those that are not. By restricting where this preservation can occur, AHFA risks losing a precious housing resource. Additionally, sometimes even the most blighted, high-vacancy developments can make successful preservation stories. One example of this is St. Dennis Apartments in Washington, DC, where an affordable property left in disrepair by a negligent	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				landlord was saved by the hard work and dedication of the only remaining tenants, Eva Martinez and her two daughters. Partnering with NHT/Enterprise, the Martinez family helped to preserve and rehabilitate the building, ensuring the long-term affordability of 32 energy-efficient units for low-income families and individuals.	
	11.C.12 Site Location	14	Mychal Cohen, National Housing Trust	As mentioned in the previous comment and referenced in the attached *Figure J**, there are significant amounts of federally-subsidized affordable housing units with expiring contracts in Alabama. These units represent significant housing resources for Alabama's most vulnerable residents. Additionally, preservation is significantly more cost effective than new construction. As the attached *Figure 2*** illustrates, over the past 3 years, rehabilitation projects have utilized less than a fourth of the tax credits per unit when compared to new construction projects. By creating a set-aside directed towards the preservation of at-risk affordable housing in the final 2016 QAP, AHFA demonstrates a strong commitment to preservation that helps meet the needs of Alabama's elderly, disabled, and low-income households. The	Points are presently awarded for preservation of existing multifamily housing. A set-aside will not be added for preservation of at-risk affordable housing.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Trust encourages AHFA to create a set-aside for the preservation and rehabilitation of existing multifamily rental housing in the final 2016 QAP.	
	II.D.8. Negative Actions	16	Amy Montgomery, Gateway	Termination of an application should not occur based upon "Notice to AHFA" of excessive, willful neglect or uncorrected non-compliance. Based upon this language, any individual would have the ability to cause any owner's applications to be dismissed simply by providing notice of non-compliance to AHFA, even is such notice is completely unsubstantiated. Termination should only occur if AHFA (or its designated representative), based on a site inspection which occurs under and conforms with the procedures outlined in the Compliance Policy, actually discovers (or verifies the reports of) such non-compliance. Therefore, change item D.8 to read: "AHFA making a determination of excessive, willful neglect or uncorrected (within , as applicable, the time required by AHFA or until settled) non-compliance on applicant's non-AHFA projects;"	If AHFA receives a notice of a determination from a Federal, State or local regulatory authority or agency of significant and uncorrected non-compliance on an applicant's non-AHFA existing projects, AHFA may terminate the application. Point deductions will be added to the 2016 Plans for changes made to an approved project's original application without AHFA's written consent and for non-compliance and/or owner's failure to meet a requirement specifically listed in any fully executed agreement(s) without prior written consent from AHFA.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	II. F. Developer and Builder Fees	20	Mark Straub, Penrose Properties Dwayne C. Vaughn, Mobile Housing Board	Limits on Developer Fee Recommend that AHFA consider that for 4% LIHTC tax-exempt bond transactions the maximum developer fee shall be 25% of total development costs (less reserves). Any developer fee in excess of fifteen percent (15%) on the portion of the basis attributable to acquisition (before the addition of the fees) and fifteen percent (15%) of the portion of the basis attributable to new construction or to rehabilitation (before the addition of the fees) must be deferred and payable out of cash flow only after the property is placed in service and stabilized. This approach has been successfully implemented in Ohio and Tennessee. Below is recommended language: Limit on Developer's Fee 1. The sum of developer and consultant fees reflected in the development costs worksheet may not exceed twenty-five percent (25%) of total development costs. If the sum of developer and consultant fees reflected in the development costs worksheet exceeds the amount described, then all developer and consultant fees in excess of the amount prescribed must be reflected as deferred fees and included in the sources of permanent financing.	**The developer fee for multifamily bond transactions will remain fifteen (15) percent.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				2. If the developer and the contractor are unrelated, the deferred developer and consultant fees cannot exceed fifteen percent (15%) on the portion of the basis attributable to acquisition (before the addition of the fees), and cannot exceed fifteen percent (15%) of the portion of the basis attributable to new construction or to rehabilitation (before the addition of fees). 3. If the developer and contractor are related parties, then the non-deferred combined fees for the contractor's profit, overhead, and general requirements plus the developer's and consultant's fees, cannot exceed fifteen percent (15%) of the portion of the basis attributable to acquisition (before the addition of fees), and cannot exceed twenty-five percent (25%) of the portion of the basis attributable to new construction or to rehabilitation (before the addition of the fees). 4. If the deferred developer and consultant fees are greater than 25% or the total development cost, then the application must include evidence satisfactory to THDA, in its sole discretion, that the deferred developer and consultant fees will be repaid and will not jeopardize the financial feasibility of the development. 5. For purposes of this part, cash reserves are excluded from total development costs.	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	II. F. Developer and Builder Fees	20	Dontrelle Foster, Housing Authority of the Birmingham District	To facilitate bond deals in Alabama, we request AHFA permit up to 25% developer fees on 4% bond deals so long as the developer fee is deferred and does not create an undue developer windfall. The complexity of bond projects justifies a larger fee.	
	II. F. Developer and Builder Fees	20	Mary E. Mayrose, The Housing Authority of the City of Phenix City	To facilitate bond deals in Alabama, we request AHFA permit up to 25% developer fees on 4% bond deals so long as the amounts over I 5% is deferred and does not create an undue developer windfall. The complexity of bond projects justifies a larger fee.	
	II. F. Developer and Builder Fees	20	Andrew Bailey, Millennia Housing Development	Regarding developer fee for 4% projects. Some states have started to allow for additional developer fee (approximately 5%) for 4% projects so long as that fee is taken as deferred developer fee. In essence, this creates additional resources to make 4% deals feasible and creates a soft source of financing The additional developer fee could be tied to policy goals that further incentivize developers to pursue those targets.	
	II. F. Developer and Builder Fees	20	Andrew Bailey, Millennia Housing Development	Right now it appears that only RD projects are eligible for developer fee based on acquisition. We would like to recommend allowing for some level of developer fee on acquisitions that involve HUD resources.	This section will be amended as follows: The developer fee cannot exceed fifteen (15) percent of the total amount of the acquisition of the property. The developer fee on RD projects will be capped at eight (8) percent of the total amount of the acquisition of the property.
	II.J.8. Negative Action After Notification of	25	Amy Montgomery, Gateway	Change to read: "AHFA making a determination of excessive, willful neglect or uncorrected (within , as applicable, the time required by AHFA or until settled) non-	If AHFA receives a notice of a determination from a Federal, State or local regulatory authority or agency of significant and uncorrected non-

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Approval			compliance on applicant's non-AHFA projects;"	compliance on an applicant's non-AHFA existing projects, AHFA may terminate the Housing Credit award. Point deductions will be added to the 2016 Plans for changes made to an approved project's original application without AHFA's written consent and for non-compliance and/or failure of the owner(s) to meet a requirement specifically listed in any fully executed agreement(s) with AHFA without prior written consent from AHFA.
HOME Action Plan					
	Ill F. Uses of HOME funds	10-11	Rusty Bennett, LIHCA	LIHCA recommends that AHFA decouple Alabama HOME funds from the Low Income Housing Tax Credit (LIHTC) Program. Reason: HOME funds are instrumental around the country for developing small projects for vulnerable households, victims of domestic violence, and youth aging out of foster care. There are a number of nonprofit organizations that would like to be able to access HOME funds and develop supportive housing that might have fewer than 12 units. These nonprofits are working to serve the most vulnerable populations and are willing to provide supportive services to create the supportive housing needed to sustain these individuals and families in safe and affordable homes. Additionally, studies have shown that the cost of housing plus services is much less expensive than the costs of	Due to the decrease in HOME appropriations, HOME funds will continue to be leveraged with Housing Credits and other sources of funds to develop multifamily new construction housing developments containing no more than 56 units. Given the available resources, combining HOME funds with Housing Credits is the most efficient and effective method for developing **affordable housing on a statewide basis.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				expensive alternatives such as shelter care, hospitals, jails, etc. Smaller tax credit deals are infeasible and, generally, tax credit investors are not interested in small properties. If AHFA makes available a portion of the HOME funds separate from the LIHTC program, these organizations could provide supportive housing for these vulnerable populations, while also saving the state money on more expensive alternatives associated with homelessness and those at-risk of homelessness.	
	III F. Uses of HOME funds	I0-11	Sherry Atchison, Volunteers of America Southeast	Decouple HOME funds from LIHTC. Rural communities in need of smaller developments would benefit.	
	Ill. F. Uses of HOME Funds	10-11	Dontrelle Foster, Housing Authority of The Birmingham District	With the limitation of HOME funds, it is recommended that AHFA consider providing a dedicated source of gap financing to be used specifically to fill gaps for 4% tax-exempt bond transactions. This funding source will be available to developers on a competitive basis as a soft second loan, payable to AHFA from a portion of the property's available cash flow after first mortgage debt service and reserves. The payment of these soft loans will allow the agency to recycle the funds in future affordable housing transactions.	If funds are available after the competitive application cycle; AHFA may consider an application under AHFA's Multifamily Housing Revenue Bond program for new construction application(s) that meets the HOME Plan, applicable Housing Credit Allocation Plan and Multifamily Housing Revenue Bond Policy.
	III.F. Uses of HOME Funds	10-11	Mary E. Mayrose, The Housing Authority of	It is recommended that AHFA consider providing a dedicated source of gap financing to be used specifically to fill gaps for 4% tax-exempt bond transactions. This funding	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			the City of Phenix City	source will be available to developers on a non-competitive basis as a soft second loan, payable to AI-IFA from a portion of the property's available cash flow after first mortgage debt service and reserves. The payment of these soft loans will allow the agency to recycle the funds in future affordable housing transactions. We request that AHFA match, on a 2-1 basis, other soft financing committed to projects up to a maximum of $2 million dollars per transaction .	
			Mark Straub, Pennrose Properties Dwayne C. Vaughn, Mobile Housing Board	Dedicated Source for 4% LI HTC Gap Financing With the limitation of HOME funds, it is recommended that AHFA consider providing a dedicated source of gap financing to be used specifically to fill gaps for 4% tax-exempt bond transactions. This funding source will be available to developers on a competitive basis as a soft second loan, payable to AHFA from a portion of the property's available cash flow after first mortgage debt service and reserves. The payment of these soft loans will allow the agency to recycle the funds in future affordable housing transactions.	
	III.F. Uses of HOME Funds	I0-11	Rusty Bennett, LIHCA	LIHCA recommends that AHFA utilize HOME funds for activities other than new construction. Reason: The federal HOME program provides for eligible activities of homeowner rehabilitation, homebuyer	Due to the decrease in HOME appropriations, expansion of the HOME eligible activities would result in a reduction of much needed affordable housing. AHFA continues to meet the

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				programs, rental rehabilitation, and rental subsidies as eligible activities. Rehabilitation activities are often used by local governments and nonprofits to stabilize communities and address health and safety issues in dilapidated homes. Rehabilitation is a key principle of smart growth strategies and better utilizes existing infrastructure and services. Affordable homeownership is another activity typically supported with HOME funds. It not only helps families obtain the "American Dream" of homeownership, it also supports the local tax base and stabilizes marginal communities. By expanding the state's HOME eligible activities, funds could be used to stabilize and improve blighted communities through rehabilitation, address health and safety issues of lower income homeowners, and create more decent and safe housing opportunities for individuals with low	needs described through its down payment assistance, Habitat and other loan programs.
A – Point Scoring System					
			Amelia Johnson, TBG Resident ial	The 2016 QAP states that A HFA will achieve its housing priority by allocating Housing Credits & HOME funds generally to only one project per county. We ask that AHFA reconsider this policy and allow the award of both a New Construction and Acquisition/Rehab properties in the same county. Acquisition/Rehab properties awarded credits do not add to the county's current housing stock. Acquisition/Rehab deals are also at a disadvantage in counties	Generally, AHFA will fund one project per county. Given the continued need to provide decent, safe, and affordable rental housing statewide, it isn't appropriate for AHFA to exclude any county from consideration.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				PJ exists. PJs tend to award HOME funds to New Construction projects which affords those applications with Rent Affordability points that Acquisition/Rehab deals likely won't receive. The result is that if two applications are submitted in a PJ (I NC and I NR), the New Construction application will likely always get an award. For these reasons, we suggest that AHFA allow one New Construction award and one Acquisition/Rehab award in the same county or at the very least, allow this in counties or cities where a PJ exists.	
	Narrative	1	Jeff Rice, Rice Land & Development Corporation	Allow two or more applications to be funded within the same county if AHFA acquisition/rehab applications are involved. With the aging stock in the AHFA portfolio, it's important to assure that new construction applications do not impede the rehabilitation of existing AHFA housing stock.	
	Narrative	1	Celeste Stewart, ASM Property Management	As more and more AHFA tax credit (and tax credit/HOME) funded deals hit year 20, the need becomes greater to rehabilitate the HFA's aging portfolio. Per the proposed 2016 QAP, the points gained by paying down HOME loans and/or requesting soft funding from 3rd parties to facilitate the rehab of the existing portfolio, will often times fall short scoring against applications in municipalities that issue city/county HOME funds. Recent changes to the QAP have addressed this issue to some extent but major obstacles still stand in the way. These municipalities have a vested interest in seeing new development	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				and increasing their tax base and will often times not consider rehabs as a funding option. The points received for these funds generally leads to an overwhelming advantage to the new development receiving them. In order to ensure that AHFA's existing properties are protected, I would like to propose that AHFA allow funding of more than 1 application per county, by allowing counties to have a new construction and rehab development funded in the same cycle, if both projects would have been funded on their own merit.	
	Narrative	1	Nigel Roberts, City of Mobile	In order to achieve a balanced distribution of Housing Credits and HOME funds throughout the state, AHFA has generally allocated only one project per county. We believe major metropolitan areas of Alabama have a far greater need for new and upgraded affordable housing due to its age and instability, yet it remains in high demand. The two largest counties in the state, Jefferson and Mobile, have two sources of federal funds. Although these funds are very limited and insufficient to drive new development, their availability creates more competition for one (1) single allocation of 9% credits. Jefferson and Mobile Counties alone comprise more than 22% of the state's	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				population and these are the only two counties in the State with two participating jurisdictions receiving HUD funding. Therefore, we request that the AHFA permit up to two (2) LIHTC allocations for Mobile and Jefferson Counties by altering the QAP language to allow Housing Credits for up to two (2) projects per county for the high-population counties of Jefferson and Mobile.	
	Narrative	I	Rusty Bennett, LIHCA	LIHCA would like for AHFA to reconsider its current policy of allocating only I project per county to allow the award of both a new construction and an acquisition/rehab within the same county. Reason: The proposed policy change will ensure that new properties are being built in higher income neighborhoods while also ensuring that existing properties, which are often located in more distressed communities, are being preserved.	
	Narrative	1	Ann Marie Rowlett, Rowlett & Company	Rehab of expiring HOME projects should be excluded from the one project per county guidelines as the AHFA has made them a priority and the projects will not be adding additional housing stock to the counties in which they are located.	
	2. Awards Selection	1-2	Kevin Buckner, TBG Residential	#2 of the tie breaker should be removed. Developers are having enough trouble with the increase in construction cost, so forcing developers to submit unrealistic numbers for "scoring purposes" either supports a lessor quality project or will just force developers to increase their final construction numbers after awards. #3B of the tie breaker on paper	The purpose of tie breaker #2 is not intended, in any way, to force "developers to submit unrealistic numbers", which might constitute fraud and/or misrepresentation based on the signature certifications required at the time of application submission. The Design Quality Standards will not permit a lessor

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ABFA Response
				seems fair, but often times in the larger cities receiving building permits just takes longer. (We appreciate that last year's QAP gave us more time to receive our building permits, but even with that extension, issues happen within a project that cannot be expected and are clearly out of our control.) We do appreciate AHFA taking out last year's rule of "whatever project is farthest away from an existing LIHTC project".	quality or cheap project to be built. Regarding tiebreaker #3, we appreciate your comment, but are unclear as to what specific change you are requesting. Thank you for agreeing with our removal of the tiebreaker involving a project's distance from existing LIHTC projects. The Plans currently award points for leveraging other resources.
	2. Awards Selection	2	Diane Torres, Penrose Properties	Instead of developments being evaluated based on the quality of the project or the benefits in their community or how they might support the lowest-income families, the awards are based on how inexpensively a project can be developed. This tie breaker creates and incentive to build the cheapest product possible, rather than an incentive for building higher quality energy-efficient products. This tie breaker should be removed. AHFA should consider a tie breaker, or create scoring to encourage leveraging additional funds to spread the Housing Credit further.	
	2. Awards Selection	2	Mark Straub, Penrose Properties	Least Amount of Housing Credits Tie Breaker The *QAP* identifies a tie breaker based on the least Tax Credits per unit. Instead of developments being evaluated based on the quality of the projects, the benefits to their	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				community or how they might support the lowest income families, the awards are based on how inexpensively the project could be developed. Unfortunately, the tie-breaker creates an incentive to build the cheapest product possible instead of an incentive for building higher quality energy efficient products. In lieu of cost per unit it is recommended that the current tie breaker be removed and AHFA might consider projects that provide leverage or support other development affecting the area. Leveraging Other Funds - Additional sources of funding are typically necessary to supplement LIHTC equity and permanent financing to allow for providing affordable housing to very low-income families. We recommend that AHFA either use as a tie breaker or create scoring criteria to encourage leveraging additional funds that: 1.) help spread THDA LIHTCs further, 2.) provide stronger and more effective developments, 3.) allow for servicing lower income	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				residents, and 4.) demonstrate local support	
	2. Awards Selection	2	Terry Mount, DSI	If a tie remains, priority will be given to the owner who requested the least amount of housing credits per un it." Either omit this tie breaker or move down in the list of tie breakers to be used. This could result in much cheaper built and finished units than	
	2. Awards Selection	2	Amy Montgomery, Gateway	AAHA believes that using the "least amount of credits per un it" as the second tie breaker is not the best way to prevent ties. This cau ses applicants to seek to request funds that are too small to make deals feasible or are otherwise not up to the quality standards that Alabama has enjoyed over the years. This is evidenced by other states who have used this methodology to negati ve resu lts (Tennessee and North Carolina). AAHA recommends moving item number 2 of the tie breaker to below item 6 on the tie breaker.	
	2. Awards Selection	2	LaKenya Bend, HABD	Under the tie breaker section, I would like to request that the tie breaker that gives priority to the owner who requested the least amount of housing credits per unit be removed. This tie breaker has the potential to encourage developers to build cheaper units and have a negative long term effect on neighborhoods. Al JFA has a reputation of requiring quality developments under the tax credit program and this tie breaker could potentially d imini sh the high standard of building under this	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				program in the state of Alabama.	
	2. Awards Selection	2	David Morrow, Morrow Realty	Delete tiebreaker No. 2 (priority will be given to the owner who requested the least amount of Housing Credits per unit) or move it down and make it the last tiebreaker. Including this tiebreaker would cause applicants to seek to request funds that are too small to make deals feasible or are otherwise not up to the quality standards that Alabama has enjoyed over the years. This is evidenced by other states who have used this methodology to negative results.	
	4. Awards Selection (4)	2	Amber Courtney, The City of Birmingham	This benefits a revitalization plan property so there should be some benefit recognized by A HFA for awarding this type of project.	AHFA will not seek to interpret this comment. Additional information should have been provided.
	1.)(i)(a) Project Characteristics	3	Kevin Buckner, TBG Residential	Please add in a least one additional 2-point categories. A car washing station or bike racks would be great substitutes to what is currently available.	A car wash station will be added to the 2-point amenity category. At a minimum, the car wash station must include a dedicated space, wall/ceiling boom with spray wand and fixed mount vacuum. Points will not be awarded for providing bike racks. Bike racks will remain an optional amenity.
	I.)(i)(a) Project Characteristics	3	John Reeves, Olympia Management, Inc.	Re: Clubhouse/Community Building/Community Room - community TV with cable or satellite. We would like to substitute a streaming service i.e., Netflix, Hutu, Amazon Prime, etc., in lieu of cable or satellite service. We feel these options are more logical and affordable. Most all of these properties provide tenant services such as "movie night". With the different aps on	The clubhouse/community room must have, at a minim um, a TV with a 42 inch screen with cable, satellite or streaming services, and wireless internet.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				the Smart TV's, Blu-ray players and game consoles you can watch news, weather and other TV shows. Netflix and other apps have thousands of movies, documentaries and TY shows for as little as $10.00 per month. The equivalent for cable or satellite would be adding premium channels which are much more costly.	
	A. 1)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, LLC	Clubhouse/Community Building/Community Room: 1 washer and 1 dryer for every 15 units is excessive. The standard for affordable housing is between 1 per 20/25 units in many other states. Community washers and dryers get very little use according to developers.	There will be no changes to the required number of washer and dryers.
	A. 1)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, LLC	Covered Picnic Pavilion: Recommend changing to: "(with a minimum of two (2) picnic tables with attached bench seating and two (2) grills)". This clarifies type of tables and seating.	The tables for the covered picnic pavilion will be defined as "picnic tables with attached bench seating".
	A. 1)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, LLC	Recommend adding a Swimming Pool (Below Grade) for 4 points. Swimming pools are very costly and should be considered an amenity for points.	Points will not be awarded for providing a swimming pool. Swimming pools will remain an optional amenity.
	A.1)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, LLC	Gazebo: Add: (with a minimum of one (1) picnic table with attached bench seating). This is for clarification.	A minimum of one (1) picnic table with attached bench seating will be added to the Gazebo.
	A. 1)(i)(a) Project Characteristics	3	Tom Champion, Gulf Coast Housing	We recommend the addition of a 4 point amenity "Rooftop deck with sitting areas". Particularly in dense urban areas and/or the rehabilitation of Historic Buildings there is	Two (2) points will be awarded for a rooftop area with one (1) picnic table with attached bench seating for every fourteen (14) units proposed in the project.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Partnership, Inc.	not sufficient green space for outdoor fitness areas, pavilions and such so we consider this as a nice substitute amenity.	
	A.1)(i)(a) Project Characteristics	3	Tammy Stansbury & Denis Blackburne, The Woda Group, Inc.	We suggest adding an organic garden area. This amenity is vital to both senior and family facilities as it offers an opportunity to enhance social interaction and promote a healthier lifestyle and reduce the cost of grocery's. A typical garden can be approximately 36' square, contain several individual raised beds that are accessed on all sides via paved pathways. The raised beds are constructed using pressure treated timbers. A water faucet would also be installed for watering the gardens. The amenities for senior facilities are very limited as currently structured. Another amenity to offer seniors arc a craft room or billiard room/corn hole.	Points will not be added for providing an organic garden area. This will remain an optional amenity.
	A. 1)(i)(a) Project Characteristics	4	Rory McKean, McKean & Associates, LLC	Picnic area with grills: Recommend revising to "... one (l) picnic table with attached bench seating..."	The table for the picnic area with grills will be defined at a "picnic table with bench seating".
	A. l)(i)(b) Project Characteristics	4	Rory McKean, McKean & Associates, LLC	Add "aluminum" before "thermal break"	No changes will be made.
	A. 1)(i)(d) Project Characteristics	4	Rory McKean, McKean & Associates,	Add "with aluminum" before "thermal break"	No changes will be made.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			LLC		
	A.I)(ii) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, LLC	Revise title to: Energy/Water Conservation...	The title of this section will be will be revised to: "Energy/Water Conservation and Healthy Living Environment".
	A. l)(ii)(c) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, LLC	Delete high efficiency water heaters for points. 0.95 EF is now the industry standard. Water heaters of less efficiency are not manufactured as of April 2015.	High efficiency water beaters with a 0.95 EF minimum will be moved from a point scoring item to the Design Quality Standards and Construction Manual.
	A. 1)(ii) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, LLC	Add another item: "4 points will be given to provide LED light fixtures and/or LED bulbs at all apartment unit interiors and porch or entry where applicable." This would include the installation of a 4 ft. linear LED fixture at the Kitchen in lieu of a 4 ft. fluorescent fixture as required under Kitchen standards.	LED light fixtures and bulbs will remain an allowable upgrade. Points will not be awarded for LED fixtures and bulbs.
	A.1)(ii) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, LLC	4 points will be given to provide water conservation measures. This would include the following: I. "Water Sense" labeled water closet with a maximum of 1.28 gallons/flush. 2. "Water Sense" labeled lavatory faucet with a maximum of 1.5 gallons/minute. 3. "Water Sense" labeled shower head with a maximum of 2.0 gallons per minute. 4. "Low Flow" Kitchen faucet with a maximum of 2.0 gallons/minute.	Four (4) points will be added for EPA's Partnership Program "WaterSense" labeled water closet, faucets (bathroom and kitchen) and showerheads.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	l.)(iii)(a) Rent Affordability	5	Kevin Buckner, TBG Residential	Please add language that allows other types of subsidies. Developers or AHFA cannot always anticipate where additional funding might come from. If there is a funding source that helps the project and meets the intent of the QAP then points should be awarded to the project even though they are not specifically on the list.	AHFA encourages the use of other funding sources. However, points are not awarded for sources other than those listed in the Plans. AHFA is open to expanding the funding sources included in the Plans, but specific sources must be identified and detailed information on each proposed source must be provided to AHFA for consideration no later than during the public comment period for each Plan. AHFA adds additional and/or new subsidies during the commenting phase only.
	1.)(iii)(a) Rent Affordability	5	Amelia Johnson, TBG Residential	For the Rent Affordability points in this section, each of the points available offers a range of subsidy dollars per unit of $4,000 (or $3,999). We think this range is too broad for the 5, 6 and 7 point categories, and it does not incentivize the applicant to obtain the maximum subsidy in each category. The 5, 6 and 7 point ranges of subsidy dollars per unit should decrease as the points increase. For example, if one applicant is able to obtain $16,000/ unit in subsidy and another applicant is able to get $12,001/ unit in subsidy, both applications would receive the same number of points, but the total subsidy each applicant obtained varies greatly. For a 56 unit property, the subsidy could be either $672,056 or $896,000. Even despite the number of units, one is obviously more difficult to obtain than the other, yet both have the same point value while having a $223,944 difference in subsidy value. Our	No changes will be made to the Rent Affordability section of the Plan.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				suggestion is to decrease the range of subsidy per unit for the 5, 6 and 7 point categories to a range of $2,000. (5 points :$8,00 I - $I 0,000; 6 points:$10,00 1-$12,000; 7 points: $ 12,001-$14,000, etc.)	
	1.)(iiiXa) Rent Affordability	5	Quisha Riche, Huntsvi lle Housing Authority	The QAP draft provides up to 7 points for Rent Affordability based on a commitment of over $16,00 l per unit in additional subsidies from approved sources. This level of subsidy is critical to support families who fall into the very low range of the AMJ. The demand for housing for very low-income families is significant in the State of Alabama. These points are essential to support the development of affordable units for these families. These points will also serve to increase the amount of available affordable housing. We fully support the level of Rent Affordability subsidies provided in the draft QAP and recommend that this section remains unchanged.	
	1.)(iiiXa) Rent Affordability	5	Quisha Riche, Huntsvi lle Housing Authority	Leveraging additional funding provides for stronger and more effective developments. Leveraging certain funding sources also demonstrates project support. It is recommended that AFHA consider adding a scoring criteria that provides for up to four (4) points for securing leverage from City, State or Federal funds per un it: 1 point --> $5,000 per unit 2 points -> $8,000 per unit 3 points -> $10,000 per unit 4 points -> $12,000 per unit These additional points will go to developers	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				who secure funding from sources	
	l.)(iiiXa) Rent Affordability	5	David Morrow, Morrow Realty	The subsidy point spread is too large. Generally, private developers can only get smaller per unit values associated with the FHLB's AHP program. Please revise as follows: 7 points - $I0,001 or more per unit 6 points - $8,001 to $10,000 per unit 5 points - $4,000 to $8,000 per unit	
	l)(iii) Rent Affordability	5	Penny Ayers, PSA Enterprises, LLC	Please consider adding COCC Funds to Addendum A, Section A (iii) Rent Affordability. COCC is a source of funds that all housing authorities have due to HUD requiring them to go to an Asset Management model about 8 to 10 years ago. The housing authortity is funded and required to hava a Central Office Cost Center, or, COCC, which is made up of the Director and key oversight staff. The COCC is not funded by HUD, rather, they charge a fee for administrative oversight, such as, bookkeeping and management fees. Due to the fact that they are not direct HUD funds, they are defederalized. Every housing authority is free to choose what they do with these funds. Housing Authorities welcome using these funds in partnership with City funds. This allows Cities to play an important role in bringing affordable housing to their area. In effect, these funds would be a loan to the development, having a very low interest rate and payable through annual debt service throughout the compliance period. We would ask that AHFA give this reQuest	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				consideration, as it would be helpful for all developers to seek this type of additional subsidy.	
	1.)(iii) Rent Affordability	5	Sam Johnson, Arbor Valley Development	Rent Affordability - HUD's Rental Assistance Demonstration (RAD) program is an exchange of operating and capital funds for a HAP contract. The end result is a project-based Section 8 development that can take on debt. Existing project-based Section 8 developments should be considered the same as PHAs going through the RAD process. The "addition subsidy" would include the incremental permanent debt the property takes on (new mortgage less existing mortgage to be paid oft)	
	1.)(iii) Rent Affordability	S	Dwayne C. Vaughn, Mobile Housing Board	Choice Neighborhood, Manufacturing Communities Designation & RAD Developments It is recommended that projects that have been awarded HUD Choice Neighborhood grants, US Economic Development Administrations Manufacturing Communities Designation or RAD awards by HUD should be prioritized. With that in mind, the following language is recommended: Five (5) points will be awarded for projects that have been awarded Choice Neighborhood grants (providing the grant	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				award document) or Manufacturing Communities Designation by the US Economic Development Administration, and three (3) points will be awarded for projects that have been provided RAD awards (an executed CHAP agreement).	
	1.)(iii) Rent Affordability	5	Dwayne C. Vaughn, Mobile Housing Board	Currently, the draft QAP provides up to 7 points for Rent Affordability based on a commitment of over $16,001 per unit in additional subsidies from various approved sources. This section is critical as many developers tend to focus on providing housing for those at near 60% of AMI instead of for very low-income families as the project won 't be able to support very low-income families. This level of subsidy is essential to support the poor in Alabama. Last year, Governor Bentley noted that 1 in 4 children in Alabama lives in poverty. The demand for housing for the very low-income families is significant in the State as an astounding 19% of the State's adult population is living below the poverty level. At the same time, the City of Mobile, a fairly industrialized city, bas a poverty rate of approximately 20%. These are staggering numbers, and the Rent Affordability scoring is essential to	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				redeveloping affordable units for the low and very low-income families of the State. We fully support the level of Rent Affordability subsidies provided in the draft QAP and recommend that this section remain unchanged.	
	I.)(iii) Rent Affordability	5	Terry Mount, OSI	Recommend that the AHFA narrow the range for each level of funding for points. Example, In lieu of 4,000 to 8,000 make it 4,000 to 6,000. This would encourage developers to get higher amts of subsidy rather than minimums. Consider rolling these levels of subsidies and points back to previous 2015 level. Require that all subsidy funds remain in the deal. It is possible now that a source that only receives about 300,000 in HOME a year could give a commitment for twice that amount with no hesitation as only half that amount is required to stay in the deal. Subsidy as a permanent source of funding is what leverages AHFA resources, not construction sources.	
	I.)(iii) Rent Affordability	5	Amy Montgomery, Gateway	AAHA believes that the Rent Affordability gives unfair advantage to PHA's who are generally the only ones who are able to get the higher per units funds. Generally, private developers who are not PHA's can only get smaller per unit values associated with the FHLB's AHP program. AAHA recommends AHFA go back to the same dollar amounts as	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				last year; i.e., 7 points = $10,001 per units, 6 points = $8,001 - $10,000 per unit, etc.	
	I.)(iii) Rent Affordability	5	Tammy Stansbury &Denis Blackburne, The Woda Group	Rent Affordability - The increase in amount per unit is quite difficult to achieve, considering the lack of soft funds that are available. We suggest that amount stay the same as last year. In addition, We would suggest that the list of "allowed" funding structures not be so restrictive, and that other funding sources be included that could provide a soft loan (interest rates below AFR for at least 10 years. This loans would reduce the amount of HOME funds that are requested. We further suggest including USDA RD 538 Guaranteed Loans and HUD 221 (d)(3) loans. While these loans are not a subsidy or soft funds, they do offer a below market interest rate and a longer term which makes the project more viable. This loan guarantee helps to obtain favorable financing terms for the development budget when seeking equity providers. By allowing a wider range of other types of funding, will reduce the amount of HOME funds applicants request from AHFA or local PJ's to possibly fund more projects.	
	l.)(iii) Rent	5	Andrew	Soft funding is difficult to find and seems to	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Affordability		Bailey, Millennia Housing Development	be well incentivized here to meet the policy goal of rent affordability. Another strategy that we would like to recommend is to provide incentives for rehab projects that have long term project based rental subsidies, which cover a portion of rent payments for residents. This is particularly important for families with children and senior populations who may not be able to afford even 60% AMI rents without assistance.	
	1.)(iii) Rent Affordability	5	Mark Straub, Pennrose Properties	Local PHA/Government Contribution It is recommended that AlIFA consider the following language: Two (2) points will be awarded for projects receiving a long-term ground lease (no less than 45-year) from a local public housing authority or government entity for nominal consideration and no other land costs. Leases can only be considered for points under this category and not under any other scoring category.	It is an application threshold requirement that the applicant must have site control as evidenced by a sales contract, purchase option or long-term leasehold. Points will not be awarded for a long-term ground lease.
	l.)(iii) Rent Affordability	5	Mark Straub, Pennrose Properties	Off-Site Improvement, Amenity and Facility Investment It is recommended that AHFA consider the following language: An Applicant may earn up to three (3) points if an unrelated third party (foundation, trust,	Points will not be awarded for off-site improvements.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				and/or government) provides an investment of resources that will result in off-site infrastructure improvements; the development of parks, green space, and shared amenities; and/or recreational facilities. This investment in "off-site" improvements must be on property adjacent to the proposed project site and serve the tenant base for the subject project. Points will be awarded according to the following scale: Investment amount at least 15% of TDC = 3 Points Investment amount at least I0% but less than 15% of TDC = 2 Points Investment amount at least 5% but less than 10% of TDC = 1 Point The proposed improvements, amenities and/or facilities must be performed in conjunction with the project. The development cost and source of funding associated with the development of the improvements, amenities and/or facilities must be mutually exclusive of the development cost and sources of funding for the subject property. The cost for the	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				improvement must be paid in full by the unrelated third party. Examples of third party improvement, amenity, and facility investment of resources include, but are not limited to, the following: 1. Construction of off-site or on-site access road which is required for access to the property; 2. Development of parks, green space or walking trails on a master plan development site; 3. Development of YMCA, youth center, senior center, or comparable community center; and/or 4. Construction of sidewalks or streetscape adjacent to the property. Third party investments that are community wide in scope or part of the community local action plan will not be eligible for points in this section. The applicant must provide documentation to include; the written commitment of funds, detail on the source of funding, the full amount of the investment, and the timeline for completion.	
	I.)(iv)(c) Tenant	6	Terry Mount,	Please add an additional 1 point item or omit	No changes will be made to this section of

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Needs		DSI	from scoring. Currently you must choose (a.) or (b.) and each of (c.), (d.), & (e.) to obtain the 4 points in this section so the only actual choice is family or elderly. If the AHFA desires 100 % elderly or 15% 3 Bedrooms, then require that you choose between family with 15% 3 bedrooms and elderly and require I 00% elderly. Then simply require all of the following 3 items.	the Plan. For clarification purposes, family projects are only eligible for the points if fifteen (15) percent of the units have three (3) bedrooms.
	l.)(iv)(c) Tenant Needs	6	Kevin Buckner, TBG Residential	(c) offering 1 point to set-aside 5% of the units for individuals with disabilities or homeless is not wrong. The issue is that if AHFA is targeting certain populations within this population, then it really will be difficult for this to work without support from outside supportive services, availability of vouchers and in some case on-site staff that is trained. AHFA will need to monitor each project's outreach program knowing that it will be difficult for that project to meet the needs of the intended population. Perhaps awarding points in a separate set-aside within the non-profit set aside for owner's that have experience is a better way of handling this important issue.	Since the needs of individuals with disabilities and/or the homeless are a statewide issue, AHFA believes that this incentive should be applicable to ALL applicants. Further guidance regarding supportive services will be provided in the application instructions.
	I .)(iv) Tenant Needs	6	Quishe Riche, Huntsville Housing Authority	Families that need affordable housing also require supportive service to enable them to be successful tenants and move towards self-sufficiency. These supportive services include but are not limited to self-sufficiency training, healthcare, transportation,	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				educational training, job training, childcare, etc. The key is having a resident services coordinator or case management services that can connect families with these much needed resources and to locate available services. As such, it is recommended that AHFA consider including providing two (2) points in scoring for projects that include resident services coordinators or case management to support low income families so they can transition to self-sufficiency.	
	1.)(iv) Tenant Needs	6	Rusty Bennett, LIHCA	LTHCA recommends that AHFA include incentives in the QAP to incentivize developers to provide a portion of the units in all developments as permanent supportive housing by including selection criteria points in the QAP to projects that integrate a percentage of permanent supportive housing units. Reason: Vulnerable populations, including those living with mental illness and/or substance abuse, HIV/AIDS, those experiencing homelessness, and survivors of domestic violence, tend to be marginalized from mainstream housing resources and often need supportive services to maintain housing stability. Permanent supportive housing not only seeks to house these populations, but provides supportive services to ensure housing stability. Research has demonstrated that supportive housing saves money, as it costs less to house an individual and provide support by reducing the use of public services and the cost of spending time in jails, emergency rooms, and institutions. By	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				prioritizing permanent supportive housing, AHFA would help to reduce the number of homeless and extremely rent burdened individuals and families living in Alabama.	
	I.)(iv) Tenant Needs	6	Tammy Stansbury & Denis Blackburne, The Woda Group	Tenant Needs - Setting aside 5% of the total units for tenants with disabilities or homeless could easily be achievable, provided that units do not have to sit vacant if there are no tenants available or on the waiting list that meet that criteria. Keeping units vacant for a lengthy period of time will have negative financial impacts. Other states that have this requirement frequently couple it with 811 or other assistance, and require that a unit be held vacant for no more than 30 days. Some states are requiring that units set-aside for individuals with disabilities or who are homeless and cannot find tenants to fill a vacant unit, can lease that unit to households with incomes at 50% or below AMI until another unit becomes available and a tenant who is disabled or homeless is identified.	
	I.)(iv) Tenant Needs	6	Rusty Bennett, LIHCA	LIHCA recommends that AHFA incentivize developers to list their newly funded properties on ALHousingSearch.org by allocating point(s) to developers who list on the site. Reason: ALHousingSearch.org is Alabama's comprehensive rental housing locator and is completely free for landlords to	The benefits of these types of services should be marketed directly to the project owners and managers. Participation should be strictly voluntary.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				use to list their properties. It is easy to use and landlords may be assisted by ALHousingSearch.org's administrator. A comprehensive list of all rental units in Alabama is a critical tool when disaster strikes and can be utilized to quickly rehouse victims of natural and man-made disasters. When the 20 11 tornadoes struck, there was no one list of all of the affordable housing rental un its and, as a result, disaster recovery was stalled due to the inability to find available rental housing for individuals and families that were displaced by the storms. Listing all new HOME/LIHTC properties on the site will be a valuable tool not only for landlords (who can market their properties for free on the site), renters (who can search free of charge), but also in times of disaster when housing must be located quickly and efficiently.	
			Terry Mount, OSI	Allow points in Addendum A for the AAHA Scholarship Program	
			Amy Montgomery, Gateway	AAHA wishes to encourage scholarship awards for residents of tax credit developments in Alabama. As such, AAHA recommends that three points be given to the following: "Participate in a non-profit collage scholarship fund, which is tax exempt under Section 50 I (c)(3) of the	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Internal Revenue Code, as amended, primarily targeting to qualified tenants of affordable housing and their dependents (a "Scholarship Fund"), through a commitment to make annual contributions of at least $10 per unit per year for the 15 year compliance period. The Scholarship Fund must have been in existence and active for at least five years, cannot have more than 20% of its directors affiliated with the applicant, and applicant must certify that, during the most recently concluded annual period, the amount of scholarship grants as a percentage of all expenditures (including fundraising and administrative expenses) exceeds 80%.	
	I.)(iv) Tenant Needs	6	Rusty Bennett, LCHCA	LJHCA applauds and appreciates the 1 point each incentive for 1) developers who create 3 or more bedroom units for large, lower-income families, and 2) developers to set-aside units for individuals/families with disabilities and those who are transitioning from homelessness. We hope that AHFA continues to incentivize developers to serve those who are most vulnerable and we would like to see additional points for set-aside units for vulnerable populations in future QAPs.	Insufficient information was provided for AHFA to consider awarding additional points for set-asides to the Plan for "those who are most vulnerable".
	I.)(vi) Project Type	6	Jeff Rice, Rice Land & Development	Allow the four (4) points for HOME paydown to continue into future years so that	The Plan is revised annually. Therefore, AHFA cannot guarantee that this section of the Plan will not change in the future.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ABFA Response
			Corporation	the advantage for reducing the mortgage balance is not lost in the current cycle year.	**HOME loan pay downs cannot be carried forward into future application if the project is not selected for funding in the current year. This section of the Plan will not be revised.**
	1.)(vi) Project Type	6	Celeste Stewart, ASM Property Management	In order to encourage HOME loan pay downs, allow the 4 points received for the pay down to be carried forward to future applications if the project is not selected in the initial year it is submitted.	
	1.)(vi) Project Type	6	Ann Marie Rowlett, Rowlett & Company	Points for Rehab of Existing AHFA HOME Loan: The points for this category should be increased **in** order for HOME rehab deals to truly be competitive. Most HOME deals are located in rural areas where incomes are low and the minority population is high. Any new construction project in a 3pt AMI Census Tract and a 4pt Minority Tract will outscore a HOME rehab project. Additionally, HOME deals should not count against developer caps. HOME deals are very hard to make work financially because of the handicaps mentioned previously. Rents cannot be raised enough to repay a large permanent loan and repay the HOME loan. The budgets on these projects are extremely tight and leave little room for profit to the contractor and other third party partners, much less developer fees. Finally, because of the financial hardships involved with trying to rehab an existing HOME deal, requiring 30% payment	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				of the HOME loan just to qualify to apply for additional credits is cost prohibitive. The requirement to pay down the HOME loan to reapply for tax credits should be eliminated or drastically reduced and the remaining HOME loan should be refinanced as part of the overall recapitalization of the project to help with feasibility.	
	I .)(vi.)(a.) Project Type	6	Richard Higgins & Lori Harris, Norstar Development	Awarding points in the QAP for repayment of AHFA HOME loans in whole or in part provides and incentive to applicants with outstanding HOME loans to return funds to AHFA thereby increasing resources available for additional affordable housing units. AHFA is then able to loan these funds to new applicants and spread limited resources further. Providing incentives for actions that increase *AHFA* resources makes sense; however, the incentive should not disadvantage applicants who are not requesting HOME funds. Those applicants seeking only Housing Credits should not be impacted by incentives intended to increase the pool of HOME funds available for distribution. In order to apply the incentive in a manner that both encourages repayment of AHFA HOME loans and does not negatively impact applicants not seeking HOME funds the incentive should be employed as a tie-breaker – perhaps the first tie-breaker – in	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				determining which applications will receive HOME funding or provide points for purpose of making HOME awards. The additional points could then be dropped from the remaining HOME applicants' scores for purposes of scoring Housing Credit applications. Alternatively, the impact of the HOME points should not be further magnified by permitting applicants seeking funds for rehabilitation of an existing AHFA HOME funded project to receive points under both Project Characteristics and Applicant Characteristics for the same IJOME loan repayment. Under Section A. l.)(vi.)(a), 4 points will be given for the rehabilitation of an existing AHFA HOM E funded project. The proposed project must have repaid I 00% by the maturity date or have paid 30% or more of the HOME loan (principal and interest) and have been approved by AHFA for an extension of the outstanding HOME balance. And under Section A.2.)(v), A maximum of 4 points will be given to an owner listed in any application for the repayment of an existing HOME Loan. In order to avoid double counting points for the same funds repaid to AHFA, points under these two sections should capped at 4 points	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				in the aggregate. Based on the foregoing, we recommend the following language be added to the end of A.1.)(vi.)(a.): No more than 4 points in the aggregate will be given under this Section 2.)(v) and Section 1.)(vi)(a.).	
	l.)(vi) Project Type	6	Tammy Stansbury & Denis Blackburne, The Woda Group	Project Type - We recommend that in addition points are given to developments that have been abandoned and have an adverse effect on the community but can be rehabbed to be a vital asset to the community again. This is extremely important to downtown district areas and areas in need of revitalization.	Point incentives for preservation are currently in the Plan.
	1.)(vi) Project Type	6-7	Mark Straub, Pennrose Properties	Phased Developments It is recommended that AHFA consider the following language: Four (4) points will be awarded to Applications if the proposed project is part of a Phased Development in which one or more phases received an allocation of 9% tax credits within the past five (5) funding rounds. Projects that AHFA determines are adjacent (as opposed to being Phased Developments) are not eligible for points. AHFA will look to the underlying project concept to determine whether the community	Phased developments will not receive preference over other types of housing.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				was originally designed as one development with different phases. A "Phased Development" means one tax credit project that will be developed in several adjacent phases with different allocations of Credits under common planning documents. The common planning document(s) may include parks, green space and shared amenities between the different phases or may include scattered-site development. Each phase of the property should have common ownership entities. A Master Plan with complete project concept showing all phases along with documentation showing City or County approval of the Master Plan must be submitted.	
	1.)(vi)(b) Project Type	7	Tom Champion, Gulf Coast Housing Partnership, Inc.	The Alabama Historic Rehabilitation Tax Credit program sunsetted in 2015. While we hope it will be put back in place in future legislative sessions, the language should be updated to read "provides sufficient evidence that the project qualifies for the Alabama Historic Rehabilitation Tax Credit or the Federal Historic Rehabilitation Tax Credit. The State Historic Preservation office must approve all nominations and Part II submissions to NPS so State control of this process remains.	This section will be revised as follows: One (1) point will be given for rehabilitation of existing buildings that provide evidence that the project qualifies for the Alabama Historic Rehabilitation Tax Credit or the Federal Historic Tax Credit."
	I.)(vi)(c) Project Type	7	Carlen William , Arlington	The 5 available points for Project Type clearly favor preservation of affordable housing, which is an important goal. A PI	No changes will be made to the points awarded for preservation. Four (4) points are awarded for preservation of

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Properties, Inc.	recommends increasing the 1 point available under (vi)(c) to 5 points to encourage preservation of properties not previously funded by AHFA.	AHFA HOME projects, which requires pay down or payoff of those loans. Those funds are reallocated to other projects to develop additional affordable housing. The AHFA HOME projects are not eligible for the subsidy points, like other preservation projects.
	1.)(vii) Location	7	Carlen Williams, Arlington Properties, Inc.	In furtherance of the goal of preserving affordable housing, API. recommends that the 10 points available under Location, Points Gained for Site Selection, Neighborhood Characteristics automatically be awarded (on a sliding scale) to projects outside the compliance period that were originally developed with UHTC and still owned by the original developer. There is precedent for this preference as SC awards points to this type of project based on an occupancy rate sliding scale. For instance, AHFA could include language similar to the following: "Points will be given to the preservation of an existing development assisted with tax credits in which the initial 15 year compliance period has expired. The existing development must have been continuously operated throughout the initial 15 year period without further financial assistance following the issuance of 8609s from the Authority to include additional tax credits, HOME...or any debt restructuring. The development can have no outstanding compliance monitoring issues at the time of application submission. Current occupancy rate at development: a) 95-100% occupied; b) 90-94.999% occupied;	Points will not be awarded automatically to projects outside the compliance period that were originally developed with Housing Credits and still owned by the original developer.

Plan	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				c) 85-89.99% occupied". This appears to be a great way to prioritize preservation of affordable housing that is successful, viable and desirable to residents.	
	1.)(vii)(a)(2) Census Tract & Minority, Population Location	7	Mychal Cohen, National Housing Trust	Some states are setting priorities for the deployment of Housing Credits in wealthier areas. The Trust supports a balanced approach which calls upon states to ensure that such deployment does not inadvertently disadvantage the allocation of Housing Credits for the preservation of affordable housing, wherever such housing is located. Indeed, as observed in HUD's Final Affirmatively Furthering Fair Housing (AFFH) Rule: "A program participant's strategies and actions...may include various activities...including... Targeted investment 111 neighborhood revitalization or stabilization; preservation or rehabilitation of existing affordable housing; promoting greater housing choice within or outside of areas of concentrated poverty and greater access to areas of high opportunity; and improving community assets such as quality schools, employment, and transportation." As AHFA continues to develop language regarding the location of affordable housing, we encourage a balance between incentives for projects in wealthier areas and those that preserve and improve existing housing 111 low-income communities. Preservation is a critical strategy for ensuring a sufficient supply of affordable rental housing. By balancing incentives, AHFA can continue to	Awarding points for application(s) solely on a majority-minority racial demarcation concerning the population census tract may negatively impact urban revitalization efforts. This would be a concern especially in large cities where due to limited housing opportunities for low income residents, the benefits of affordable housing in a particular neighborhood or census tract outweighs the possibility of increased minority concentration. Therefore, AHFA will remove from the proposed Plan an award of points based on a project's location in a census tract where the minority population does not exceed 50 percent based on 2010 Census Summary File 1 tables. The points for projects located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2015 Annual Median Family Income published by HUD will be revised as follows: 1 point for 80% to less than 100% 2 points for 100% or more

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				support the preservation of affordable multifamily housing, wherever such housing is located. Indeed, incentivizing the preservation of housing in all areas will allow AHFA to promote housing choice by: • Catalyzing investment and development in distressed neighborhoods serving racial minorities; • Improving living conditions and enabling households who choose to stay in their neighborhoods to do so; • Maintaining and improving housing in gentrifying communities. We urge A HFA to balance incentives for investing in areas of high opportunity and improving affordable housing in existing communities in a way that makes sense for Alabama. The Trust strongly recommends including more substantial points for the preservation of affordable housing.	
	I.)(vii)(a)(2)	7	Diane Torres, Penrose Properties	The current structure will redline urban city development. There is a potential to be sued for reverse discrimination for developing and focusing only on the upper-income or minority concentration. The market should dictate the need for the development.	
	I.)(vii)(a)(2) Census Tract & Minority Population Location	7	Amber Courtney, The City of Birmingham	The consideration for points given in census tract areas less than 80% should be changed to be more inclusive of areas that contain majority areas such as indicated here. These points should only work if they permit an equal number of points (or an exception) for land bank properties and/or properties part of a revitalization plan.	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Kevin Buckner, TBG Residential	(2) Please keep the language from last year. We understand there is concern over the "desperate impact" ruling, but finding '120' tracts in the larger populated areas will be difficult. We believe this change will push more projects into rural areas and make it difficult to develop in the larger MSAs.	
	I.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Carlen Williams, Arlington Properties, Inc.	The 7 available points for Census Tract and Minority Population Location creates an imbalance in the siting of Alabama LIHTC properties negatively impacting urban revitalization efforts, especially in Alabama's larger cities. To create a balance, API recommends including an equal number of points for projects in a concerted community revitalization plan ("CCRP"). API also recommends that this plan be more clearly defined than just designation by a public body. For instance, a definition for CCRP could include the following language (excerpted from the Pennsylvania QAP): "A maximum of 7 points will be given to a project located in a broader community revitalization program which has the capability of changing fundamentally the character of a neighborhood, enhancing the lives and amenities available to residents of the community... and which seeks to counteract the pattern through which some metropolitan areas are being segregated by income or race." There is precedent for defining CCRPs in such a way to create balance of siting; notably CO, GA, PA, MA, IN and TX all include language clarifying	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				project priority where the benefits of affordable housing development to a neighborhood outweigh the currently limited opportunity in those neighborhoods with low-income and minority concentrations.	
	I.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Mark Straub, Penrose Properties	Census Tract and Minority Population Location (7 points) A maximum of 3 points will be given to a project located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2015 Annual Median Family Income published by HUD: 1 point for 80% - 99% 2 points for 100% - 119.99% 3 points for 120% or more 4 points will be given to a project located in a census tract where the minority population does not exceed 50% based on 2010 Census Summary File 1 tables. We believe the current structure will basically redline urban city development and we are concerned that we will be sued for reverse discrimination by developing and focusing only in upper income communities.	

Pin Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				We recommend that no weight be given to any census track based on income or minority concentration.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Dwayne C. Vaughn, Mobile Housing Board	The Draft QAP proposes the following language: Census Tract and Minority Population Location (7 points) A maximum of 3 points will be given to a project located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2015 Annual Median Family Income published by HUD: 1 point for 80% - 99% 2 points for 100% - 119.99% 3 points for 120% or more 4 points will be given to a project located in a census tract where the minority population does not exceed 50% based on 2010 Census Summary File 1 tables. We believe the draft language may have the unintended consequence of "redlining" urban city development and thereby foreclose the opportunity to develop quality housing in	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				urban centers in favor of areas outside of the City's core. Given the new Affirmatively Furthering Fair Housing ("AFFH") Rule promulgated by HUD, we are concerned that focus only in less minority concentration areas will subject developers and owners to legal action for failing to adhere to the AFFH Rule or for allegedly practicing reverse discrimination by developing and focusing only in upper income communities. We recommend that no weight be given to any census track based on income or minority concentration.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Chris Retan Alethia House	AHFA has consistently encouraged developers to develop housing in areas with positive neighborhood characteristics (e.g. grocery store, doctor's office, drug store) by awarding points and discouraged development in areas that had negative characteristics (e.g. pig farm, junk yard, airport, etc.) by deducting points. Awarding points to projects located in census tracts where minorities do not exceed 50% of the population suggests that living in a majority white census tract is positive and a majority African-American census tract is negative. Providing these points is unacceptable and is most likely a violation of the Fair Housing Act. Under the proposed scoring system, if two projects have the same score on all other	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ABFA Response
				variables a project located within 0.3 miles of a pig farm or airport in a majority white census tract (2 point deduction) would score higher than a project in a majority African-American census tract (4 point deduction). A scoring system that would have this result should be changed. While we understand this change may have been made in response to the recent Supreme Court ruling on the disparate impact of the Texas QAP, we can find nothing in HUD's Final Rule for Affirmatively Furthering Fair Housing that would support adding this to the QAP. The impact of this race-based scoring section is magnified when it is added to the points that are proposed for locating housing in census tracts with higher incomes since the highest scoring census tracts would be those that are majority white and incomes above 120% of the AMI (7 points) and the lowest scoring census tracts would be those that are majority African-America with average family income below 80% of the median family income (zero points). This combination of points would create a serious disadvantage for urban cities and counties that have a significant number of census tracts that are majority African-American and have average incomes below 80% of the Median Family Income. It would also disadvantage counties in the Black Belt	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ABFA Response
				which tend to have lower average family incomes and higher percentages of African- American residents. Proposed solution: Eliminate points for projects in majority white census tracts.	
	l.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Chris Retan Alethia House	HUD's Final Rule for Affirmatively Furthering Fair Housing states jurisdictions should take a "balance approach" in the development of their Fair Housing Plan. It outlines three approaches that can be used to promote fair housing: I) the development of housing outside of low-income areas, 2) improving conditions in high poverty neighborhoods, and 3) the preservation of affordable housing stock . (Fed. Register No. 136, page 42278-9). This plan does a good job of promoting the development of housing outside of low- income segregated area by providing points for the development of housing in higher income census tracts. It does a good job of promoting the preservation of existing affordable housing by providing points for the rehabilitation of existing multi-family housing and for projects that include re-financed HOME loans. It should support the third approved approach, "improving conditions in high poverty neighborhoods," by providing points for projects located in Qualified Census Tracts. Solution: For 2016, AHFA should award 3	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				points for projects in Qualified Census Tracts, which is the same number of points for projects in a 120% AMI census tract. After the allocations have been made, AHFA should review the projects that were funded in each type of census tract and adjust the points, as needed to achieve balance in the future.	
	I.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Amelia Johnson, TBG Residential	Regarding the census tract and minority population location points section on pages 7-8: The purpose of this section appears to be incentivizing development in higher income areas as a way to deconcentrate poverty and allow low and moderate-income households to live in communities with potentially greater safety and opportunities. The inclusion of 4 points for a project located in a census tract where the minority population does not exceed 50% does not seem to address this as effectively as looking at the AMI for the census tract. Unfortunately, there is a strong correlation between a high minority population in a census tract and a low AMI for that tract. It is likely that any development that was being contemplated in an 80%, 100%, or 120% census tract would automatically get those additional 4 points. Perhaps the category should only be focused	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				on developing in high income census tracts (based on economics rather than race), and points could be awarded on a larger sliding scale as follows: • 3 points for 80% - 99.99% • 4 points for 100% - 119.99% • 5 points for 120% - 139.99% • 6 points for 140% - 159.99% • 7 points for 160% or more	
	I.)(vii)(aX2) Census Tract & Minority Population Location	7-8	Terry Mount, DSI	Please revise the method for calculating census tracts. The method stated causes some counties to have no 120% tracts which would disadvantage them from receiving an award. I researched a county that is one of the better Alabama counties as far as incomes. I took the highest rated census tract as per the 20l0 ACS income data. When divided by the HUD median income for 2015 it came out at 119.9%. Therefore there is no way a project in this county can be competitive with other 120% census tracts in other counties. If the 2013 ACS 5 yr Estimate is used , the census tract would be I 21% of the 20 l 5	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				HUD median. This methodology conflicts with the AHFA's 2016 draft QAP I. B. Establishment of Housing Priorities statement on pg 5. Geneva, Greene, Hale, Lamar, & Lowndes counties all would be noncompetive under the current methodology. We recommend either using the FFIEC website as AlIFA has a few years ago or use the most recent ACS 5 yr Estimate which I believe is 2013. Please omit the points for nonminority majority census tracts. There are very nice and higher income neighborhoods in Alabama that have concentrations of minorities. This would prevent possible Fair Housing violations by AHFA.	
	I.)(vii)(aX2) Census Tract & Minority Population Location	7-8	Robert Smith, City of Montgomery	I'm writing to provide comments on the Alabama Housing Finance Authority's (AHFA) 2016 Draft Housing Credit QAP/HOME Action Plan. Under the Scoring Addendum, Section A (I) (vii) (a) (2) 2016 QAP Point Scoring System, pages 7-8, Census Tract and Minority Population Location, AHFA has chosen to provide additional points for projects in high income and/or non-minority census tracts and provide fewer points for lower income areas that are likely minority in population. I	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ABFA Response
				strongly urge the AHFA to eliminate this section as the inclusion of these points essentially disadvantages entire portions of the state, in particular the Black Belt and larger urban areas such as the City of Montgomery, and would undermine the de-concentration of poverty and providing decent, safe and affordable housing, as well as future and ongoing revitalization efforts in low-to-moderate income neighborhoods. As this impacts our ongoing efforts to improve life for the low-to-moderate income residents I serve, I believe it is essential that the AHFA remove this section or change it back to the same point criteria from FY-2015. The Montgomery Housing Authority board and executive director have been working very hard at de-concentrating poverty and replacing dilapidated housing units with decent, safe and affordable housing in several of their low-income housing developments, and have plans to continue their efforts. If the draft point system is approved MHA and other housing authorities across the state as well as non-profit housing developers throughout the state will be negatively impacted by this policy and won't be able to continue their efforts. The recent Texas Department of Housing and Community Affairs decision by the United States Supreme Court clearly indicates that revitalization is an important public policy	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ABFA Response
				goal and should not be penalized by the Fair Housing Act. The Supreme Court noted that: "It would be paradoxical to construe the FHA to impose onerous costs on actors who encourage revitalizing dilapidated housing in our Nation's cities merely because some other priority might seem preferable . . . From the standpoint of determining advantage or disadvantage to racial minorities, it seems difficult to say as a general matter that a decision to build low-income housing in a blighted inner-city neighborhood instead of a suburb is discriminatory, or vice versa." Likewise, the newly issued HUD Affirmative Fair Housing Rule mandates balance in how to approach funding decisions. Given the distribution of the minority population in our state, the huge scoring advantage provided for higher income tracts and non-minority tracts does not achieve balance and clearly disadvantages portions of the state with large minority populations like Montgomery, Birmingham, Huntsville, Tuscaloosa and Mobile to name a few. I believe the inclusion of these points raise believe the inclusion of these points raise significant questions under the Fair Housing Act. I respectfully request AHFA to eliminate	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ABFA Response
				these points from its scoring system and revert back to the 2015 scoring criteria or figure out another way to respond to the Fair Housing Act requirements of providing affordable housing in high opportunity areas. We have at least one example of an LIHTC project that's located in high opportunity area in the City of Montgomery that was funded and completed under the old scoring criteria, and believe that this works. The example Senior Housing development named Kendricks Way off of Central Parkway. Please take these constructive comments under consideration and let us continue housing development and redevelopment in or low-to-moderate income areas.	
	I.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Dontrelle Foster, Housing Authority of the Birmingham District	Under the Scoring Addendum, Section A (!) (vii) (a) (2), Census Tract and Minority Population, AHFA proposes to allocate additional points for projects in high income and/or non-minority census tracts. We strongly urge the AHFA to eliminate this section as the inclusion of these points essentially redlines entire portions of the state, in particular the Black Belt and larger urban areas, and would undermine future and ongoing revitalization efforts in lower income neighborhoods. As this impacts our ongoing efforts to improve life for the lower income residents we serve, we believe it is essential that the AHFA remove this proposed section and eliminate these proposed points.	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	l.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Mary E. Mayrose, The Housing Authority of the City of Phenix City	Given the distribution of the minority population in our state, the huge scoring advantage provided for higher income tracts and non-minority tracts does not achieve balance and clearly disadvantages portions of the state with large minority populations; such as Phenix City. We believe the inclusion of these points raise significant questions under the Fair Housing Act and we recommend removal of this scoring criteria.	
	I.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Tammy Stansbury & Denis Blackburne, The Woda Group	Census Tract and Minority Population Location: Federal law (26 USC Section 42 (m)(1)(B)(i)(lll)) requires all states to provide a preference in their QAPs for projects in QCTs which contribute to a concerted community revitalization plan. This requirement was clearly and strongly affirmed by the Supreme Court in the recent case of Texas Dept. of Housing and Community Affairs v. Inclusive Communities Project, Inc. In the second sentence on the second page, the opinion states, 'Those plans (meaning state QAPs) must include ... certain preferences. including that low-income housing units 'contribute to a concerted community revitalization plan' and be built in census tracts populated predominantly by low-income residents". Scoring criteria 1(vii)(a)(2) in the draft QAP directly contradicts 26 USC Section 42(m)(l)(B)(i)(lll), by placing developments	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				in a QCT at a distinct disadvantaged compared to developments in higher income census tracts. Scoring criteria l(vii)(a)(2) of the draft QAP also raises serious legal and constitutional issues. In the Inclusive Communities case, the Supreme Court states that "serious constitutional questions that might arise, for instance, if such liability were imposed based solely on a showing of statistical disparity." (Inclusive Communities at page 18). The Supreme Court held that using numerical racial quotas raises serious constitutional questions, and that difficult questions might arise under the FHA if race is used and considered in a "pervasive and explicit manner to justify governmental or private actions that, in fact, tend to perpetuate race-based considerations rather than move beyond them." (Inclusive Communities at page 21).	
	I.)(vii)(a)(2) Census Tract & Minority Population Location	8	Richard Higgins & Lori Harris, Norstar Development	As with the 2014 QAP, the draft 2015 QAP makes 2 points available to applicants with developments located in census tracts that meet or exceed a stated percentage of the relevant county's Median Family Income (MFI). In 2014, the threshold for these points was 60% and for 2015 that number has been raised to 800o. This furthers the policy goal of deconcentrating poverty by encouraging location of affordable housing developments in areas that will provide a better environment and greater opportunity for the	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				development's residents. An unintended consequence of awarding points for higher income census tracts is that it undermines revitalization and redevelopment efforts in Qualified Census Tracts (QCT) also aimed at providing better environments and greater opportunities as part of an overall plan that will stimulate business and attract all income levels to areas with a high concentration of poverty and little opportunity for residents. Section 42 (m)(1)(B)(III) provides, Qualified Allocation Plans must establish preferences for "projects which are located in qualified census tracts (as defined in subsection (d)(5)(C)) and the development of which contributes to a concerted community revitalization plan." Indeed, the 2015 QAP, as with prior QAP's, provides a tie-breaker preference for developments in QCTs supported by a local revitalization plan: 5. If a tie(s) still remains, priority will be given to the project which is located in a Qualified Census Tract and is supported by its respective governmental entities approved Revitalization plan. However, tie-breakers are only relevant to the	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ARPA Response
				extent sufficient points are earned for the application. Under the current draft of the QAP, if given the choice between developing affordable housing in a census tract where the MFI is 80% or more of the relevant county's MFI and doing the same development in a QCT included in a local government's revitalization plan, a rational developer will select the former every time. To avoid the unintended consequence of undermining local government revitalization efforts, either the QCT tie breaker should be moved to the Points Gained section of the QAP and awarded the same 2 points as the 80% MFI census tracts or the 80% MFI census tract item should be moved to the same tie-breaker as QCTs. One concern faced addressed by states that have strengthened the Section 42 QCT preference in their QAPs is the possibility the "concerted community revitalization plan" could be manipulated so that mere support of an individual project by the relevant local government would qualify an applicant for the preference. States that have addressed this have focused on the "concerted community" language in Section 42, making qualification contingent upon the project being part of a larger revitalization effort that has been in place for some specified period of time and with respect to which funds have already been expended and portions of the	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				revitalization plan implemented. Based on the foregoing, we recommend that a new item (3) be added to Addendum A, Section A.1.)(vii.)(a): (3) Targeted Redevelopment Area. 2 points will be given to a project located in an area targeted by local government for redevelopment or revitalization provided *the redevelopment or revitalization plan was approved and adopted by ordinance, resolution, or other legal action taken at least one year prior to the deadline for submission of applications, *the redevelopment or revitalization plan specifies geographic boundaries that are larger than but include the physical location of the project, and *funds have been expended by the local government to revitalize or redevelop at least one project in furtherance of the redevelopment or revitalization plan.	
	I.) (vii)(a)(2) Census Tract & Minority Population Location	8	Amber Courtney, The City of Birmingham	The non-minority factor should be changed in order to be considered fair and unbiased with regard to consideration of areas that would largely benefit from this program but are unable to qualify due to the makeup of the community (majority minority). It is apparent that if this was approved, it would favor housing in predominately Caucasian, higher income communities, thereby negating the effect of mixed-income communities which are so needed in municipalities such as	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Birmingham, and others in Alabama whose majority populations are that of low-to-moderate (LMI) African American communities and whose success largely benefits the Region as well as the State overall.	
	2.)(ii) Applicant Characteristics	9	Terry Mount, DSI	A 2.)(ii.) Applicant Characteristics. The proposed requirement of having 10 deals since 2005 would require a developer/owner to have received a tax credit award every year for the past 10 years. Please go back to the requirement of developing and continuing to own multifamily housing for a minimum of 15 years. Consider allowing an even longer time period . Many Alabama developers are not active in other states. With the caps on available HOME funds and tax credits, it has become difficult to be successful in obtaining funding every year. The proposed requirement would weigh heavily in favor of larger multistate developers. Alabama developers that have limited themselves to Alabama would be forced to partner or even bring in out of state developers to meet the 10 deal in 15 yr threshold. The proposed requirement would greatly decrease the opportunities for younger developer owners which is needed for the future of affordable housing in Alabama as	Points awarded to owners who have previous successful experience in development of multifamily housing since 2005 will be reduced from 10 points to 5 points. The number of projects and units required for the points will be reduced from 10 projects/1,000 units to 5 projects/500 units.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				the existing developer base ages.	
	2.)(ii) Applicant Characteristics	9	Marcella Roberts, Hollyhand Development	We are opposed to the requirement that a developer have at least 10 deals since 2005. This places an unrealistic requirement on a developer to have received a tax credit allocation every year for the past 10 years with no margin for error. By remaining with the existing 2015 requirement of developing and continuing to own multifamily housing for a minimum of 15 years, local Alabama developers will remain loyal to the program and not be limited in their ability to develop in their home state. With limited funding, caps and other restrictions, it has become increasingly difficult to receive a tax credit award each year. Therefore this requirement will eliminate many developers each year this requirement is in effect. The proposed requirement could weigh heavily in favor of larger out of state developers that collaborate to almost ensure receipt of an annual allocation in the state.	
	2.)(ii) Applicant Characteristics	9	Ann Marie Rowlett, Rowlett & Company, LLC	Restricting experience points to projects PIS from 2005 forward is unfair to CHDO's since they cannot partner with other developers to bring in experience points. CDHO's should be excluded from the 2005 requirement and should be able to count all of their projects	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				towards development experience points.	
	2.)(iv) Applicant Characteristics	9	Sherry Atchison, Volunteers of America Southeast	A.2.)(ii.) Applicant Characteristics. The proposed requirement of having 10 deals since 2005 would require a developer/owner to have received a tax credit award every year for the past 10 years. Please go back to the requirement of developing and continuing to own multifamily housing for a minimum of 15 years. Consider allowing an even longer time period. Many Alabama developers are not active in other states. With the caps on available HOME funds and tax credits, it has become difficult to be successful in obtaining funding every year.	
	2.)(iv) Applicant Characteristics	9	Tammy Stansbury & Denis Blackbume, The Woda Group	Scoring item 2(iv) is unconstitutional under the dormant or negative commerce clause of the United States Constitution. This section awards points only for Alabama issued 8609's. The Supreme Court has held that the United States Constitution prohibits "economic protectionism--this is, regulatory measures designed to benefit in-state economic interests by burdening out-of-state competitors." New Energy Co., v. Limbach, 486 U.S. 269, 273 (1988). Discriminatory state tax schemes are frequently invalidated in dormant commerce clause decisions. CSX Transp., Inc. v. Alabama Department of Revenue, 562 U.S. 277, 287 (201 1) lists	The points awarded for closing an AHFA HOME loan or receiving 8609's on an AHFA Housing Credit project will be removed from the Plans. However, A minimum fee of $5,000 must be paid, at the time of the initial application submission, for an on-site **inspection for each 2016 application which contain one (1) or more owner(s) with ownership in less than three (3) placed-in-service**

projects funded with Housing Credits or HOME funds awarded by AHFA.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				numerous examples. These cases include regulations providing for the discriminatory allocation of tax credits and exemptions. See, e.g., W. Lynn Creamery v. Healy, 512 U.S. 186, 211 (1994), and New Energy Co., 486 U.S. at 280. A Montana state court recently considered this issue in the context of Montana's QAP, and held that allowing points for in-state experience but not for out of state experience is a violation of the commerce clause of the United States Constitution. See, Ft. Harrison Veterans Residence v. Montana Board of Housing, Cause Number DDV-2012-356, April 26, 2013, at pages 12-13. For this reason, Scoring item 2iv) should either be removed, or modified to allow for out of state experience to be counted in the same manner as in state experience.	AHFA will select one (1) property for inspection for applicants with less than six (6) non-AHFA projects and up to three (3) properties for inspection for applicants with more than six (6) non-AHFA projects based on the Schedule of Real Estate form submitted with the application. Applicants must consent to an on-site inspection by AHFA (or AHFA's designated consultant) of any of such owner's existing projects, including physical inspections of building and units as deemed necessary by AHFA. The owners will be subject to the same AHFA requirements defined in Addendum D of the Plan. The owner will be required to pay all costs of the inspection(s).
	2.) (iv) Applicant Characteristics	9	Carlen Williams, Arlington Properties, Inc.	API recommends awarding points for developments receiving IRS form 8609 in year 2000 or later (a change from the proposed 2005). Properties placed in service in 2000 are still in the compliance period and owners are penalized for non-compliance. With 10 points available for owners with recent multi-family development experience, AHFA can remain confident that owners are knowledgeable about and familiar with current development practices and compliance monitoring procedures and requirements.	
	2.) Applicant	10	Richard	Based on the discussion above regarding	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Characteristics		Higgins & Lori Harris, Norstar Development	Addendum A, Section A. 1.)(vi.)(a.), we recommend the following language be added to the end of Addendum A, Section A 2.)(v): No more than 4 points in the aggregate will be given under this Section 2.)(v) and Section 1.)(vi)(a.).	
B-Environmental Policy Requirements					
	Choice Limiting Activities	1	Russell C. Griebel, United Consulting	Can the geotechnical exploration (with possible dozer/mulching clearing for access) be conducted prior to the application?	With respect to projects that receive HOME funds (regardless of whether any other form of funding is received), "choice-limiting activities" include, but are not limited to, acquiring, rehabilitating, converting, leasing or repairing all or any portion of the project as well as disturbing the ground or commencing any form of construction at the project site.
	AHFA Non-Scope Requirements	9	Russell C. Griebel, United Consulting	The non-scope requirements include language regarding lead based paint and asbestos. For existing structures, are there age thresholds for requiring LBP or Asbestos Surveys (Sampling and Testing) to be conducted and included within the Phase I report? Or does only language need to be included in the Phase I about the potential for such.	The Plan is clarified to read: Asbestos Testing: An asbestos testing report on every structure will be required at the time of the initial application and included in the Phase I ESA. All friable and non-friable ACM in deteriorated condition must be completely abated. An asbestos contractor's listing may be obtained from Alabama Department of Environmental Management (ADEM) (334) 271-7700 or at www.adem.state.al.us. Non-friable ACMs may be managed in place if in an intact condition. A site-specific Operations & Maintenance Plan for asbestos must be

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
					implemented if ACMs are to be left in place. Asbestos standards are located at ASTM E-2356, EPA: Clean Air Act, CERCLA, & OSHA 29CFR Part 1926.1101. Lead Based Paint Testing: For all buildings built prior to 1978, the applicant must provide a LBP report at the time of initial application and included in the Phase I ESA. AHFA requires all LBP to be completely abated (eliminated). A list of licensed LBP contractors can be obtained from the Alabama Department of Public Health at www.adph.org. Lead Based Paint standards: US Department of HUD "Guidelines for the Evaluation and Control of Lead Paint Hazards in Housing: http://www.hud.gov/offices/lead/lbp/hudguidelines/Ch07.pdf.
	AHFA Non-Scope Requirements	9	Russell C. Griebel, United Consulting	For historical reviews, the requirements state "EP must locally check all Standard Historical Sources (SHS) listed in section 8.3.4...." ASTM states elsewhere "reasonably ascertainable" sources. All SHS may not be reasonably ascertainable, and all may not be available. Therefore, consider please replace "all" with "reasonably ascertainable."	There is no change to the Plan.
	AHFA Non-Scope Requirements	9	Russell C. Griebel, United	Addendum B-2 indicates the Phase 11 must be completed in accordance with El903-11 and all ADEM standards for Residential Use	The Plan is amended to read: Any Phase II Reports that are

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Consulting	Properties. ADEM does not have standards for Phase II due diligence assessments. Rather, a Phase II is to assess for contamination that may be associated with the RECs identified through a Phase I. If a Phase II identifies contamination associated with the RECs, then additional assessments and actions could be required under ADEM, such as through the Voluntary Cleanup Program.	recommended for purposes of addressing the REC's identified in the Phase I ESA (or that should have been identified in the Phase I ESA but were not) must be completed in accordance with E1903-11 *and be protective of* Residential Use Properties.
	Appendixes A. Photographs	12	Russell C. Griebel, United Consulting	Are site and area photographs to be included in Appendix A?	The Plan is amended to read: A. PHOTOGRAPHS AND MAPS i. SITE AND VICINITY
	Environmental Review Statutory Checklist	14	Russell C. Griebel, United Consulting	For the environmental checklist, be sure the associated guide tells specifically what needs to be done and not done. Will AHFA get historical clearance letters from the state, does the consultant need to write letters for an official response? Same for Fish and Wildlife, do letters need to be written or just look at available listings?	The Plan is amended to read: Historic Preservation: *Please note: AHFA will request concurrence letters upon project approval.* Endangered Species Act: *Please note: AHFA will request concurrence letters upon project approval.*
	Environmental Review Statutory Checklist	14	Russell C. Griebel, United Consulting	Please define "adjacent" to the site? Is this indented to be ASTM 1527-13 "adjoining." Access to adjoining properties could limit ability for some statements, unless relying on maps and aerials.	The Plan is amended to read: Are any wetland characteristics (hydrophytic vegetation, hydric soils, wetland hydrology) or drainage features observed on the site *or on the adjoining properties?* Any waters of the State

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
					jurisdictional wetlands, drainage features, water courses observed on the site *or on the adjoining properties?* Does the project involve any new construction or filling located within a wetland area designated on a USFWS National Wetlands Inventory Map? Attach National Wetlands Inventory Map (NWI) and any wetland delineation studies or assessment reports prepared for the project site and *adjoining* property.
	Instructions & Guidance for Completing Addendum B-4 (Wetlands Protection)	15	Russell C. Griebel, United Consulting	Can AHFA fully define what is allowed or not allowed relative to wetlands, waters of the state, jurisdictional waters, etc. Can any of these be on the Applicants Project Site? What if a wetland has been "mitigated" with a clearance letter but is present onsite at the time of submittal?	No further definition is necessary. The Environmental Review Statutory Checklist should be completed in accordance with the guidance provided in Addendum B-4.
	Instructions & Guidance for Completing Addendum B-4 (Endangered Species Act)	15	Fred Bennett, The Bennett Group	The Phase I requirement to check the proposed site for habitat for any plant or animal species should be limited to only those currently on the published endangered species list and data base. A Phase II should not be required for any plant or species that Fish & Wildlife "is considering putting on the list." If the species deserves to be on the list, then it should be on the list; when full consideration has been given, and the decision is made to put a species on the list,	The Plan is amended to read: Will any endangered species or their habitat be adversely affected by this project? Attach endangered species and/or critical habitat list for the project's county from the U.S. Fish & Wildlife Service website. Document your visual finding for endangered species and their habitat. http://www.fws.2ov/daphne/es/specieslst.h

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				we should be concerned about it then.	tml https://www.budexcbange .info/programs/ environmental-review/endangered-species *Please note: AHFA will request concurrence letters upon project aooroval.*
	Instructions & Guidance for Completing Addendum B-4 (Explosive & Flammable Operations)	16	Fred Bennett, The Bennett Group	Industry professionals have told us that a propane tank, even the very large ones used to fill propane delivery trucks, are not a hazard if they are 1,000 feet away from a proposed site. It is unnecessary for applicants to canvas a one mile, or even a half-mile radius of the site to find propane tanks.	HUD guidance requires aboveground stationary storage tanks within 1 mile of the project site to be identified.
C - Design Quality Standards & Construction Manual					
	11.C.I Clubhouse/ Commun ity Building Standards	3	Carlen Williams, Arlington Properties, Inc.	Please clarify the language under 11.C.I Clubhouse/Community Building Standards as it relates to multi-story buildings that include residential units and clubhouse/community spaces within a single building envelooe.	This standard will be revised to include spaces within a single building envelope.
	111.3.a.I0. Exterior Finishing Materials	6	Rory McKean, McKean & Associates, LLC	Brick should have a lower case 'b'.	This change will be made to the Piao.
	111.3.a.12. & V.2.a.1 1.	6 15	Rory McKean, McKean & Associates, LLC	Add "steel" to the following sentence: Structural wood columns must be a minimum 6" x 6" pressure treated columns concealed as noted above or properly sized columns of steel, fiberglass, high density urethane or aluminum.	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ABFA Response
				On the next sentence, add a comma between "fiberglass and steel."	
	III.3.b.13. IV.6.b.14. V.2.b.11.	7 12 16	Rory McKean, McKean & Associates, LLC	In the last sentence, revise to read "... picnic table(s) with attached bench seating."	The table(s) will be required to have attached bench seating.
	III.5.c.l. N.8.c.l. V.3.1.	8 12 16	Rory McKean, McKean & Associates, LLC	Revise to read: "... sink is required in each unit."	A minimum 6 1/2-inch deep double bowl stainless steel sink is required in each unit.
	111.5.d.1. IV.8.d.l. V.3.1.	8&9 13 16	Rory McKean, McKean & Associates, LLC	Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in walls as per ANSI and Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with "factory-installed grab bars" where the tub surrounds are factory reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tub surrounds are not reinforced fiberglass but are hard tile, cultured marble, or composite materials; solid wood blocking must be installed to meet ANSI and Fair Housing Standards.	This standard will be revised as follows: Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in wall in accordance with Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with "factory-installed grab bars" where the tub surrounds are reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tube surrounds are not reinforced fiberglass, hard tile or cultured marble or composite materials; solid wood blocking must be installed to meet Fair Housing guidelines.
	Ill.S.d.2. N.8.d.2. V.B.3.2.	9 13 16	Rory McKean, McKean &	Water closets must be installed to comply with applicable ANSI, UFAS and Fair	This standard will be revised as follows: Water closets must be installed to comply with applicable ANSI, UFAS and Fair

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	ABFA Response
			Associates, LLC	Housing accessibility guidelines. Note: Some of these Standards have different distances. A water closet must be from a wall. It varies from 16" - 18" based on whether there are direct Federal Funds such as HOME Funds involved. We suggest AHFA not include dimensions in QAP.	Housing accessibility guidelines.
	111.5.d.4. IV.8.d.4. V.3.4.	9 13 17	Rory McKean, McKean & Associates, LLC	Revise to read: "Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units." Owners/Management do not like medicine cabinets due to them being a maintenance problem and not being able to remain clean.	This standard will be revised as follows: Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units. All cabinets in designated handicap accessible units must be installed in compliance with ANSI or UFAS guidelines.
	m.5.e. IV.8. V.3.	9 13 17	Rory McKean, McKean & Associates, LLC	Revise to read: "Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards."	This standard was revised as follows: Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards.
	111.5.f. IV.8. V.3.	9 13 17	Rory McKean, McKean & Associates, LLC	Revise the first sentence to read: "All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with applicable Fair Housing design standards." Revise the last sentence to read: "All interior doors to habitable spaces in all other units must have a minimum width of 30 inches."	This standard was revised as follows: All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with the applicable Fair Housing design standards. All interior doors to habitable spaces in designated handicap accessible units must have a minimum width of 36 inches.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Rory McKean, McKean & Associates, LLC	In the Design Quality Standards, is there a lli.4? It goes from 3. Exterior Building Standards to 5. Interior Building and Space Standards.	The numbering will be corrected in the final version.
	V. Attached Rehabilitation of an Existing Building	14	Tom Champion, Gulf Coast Housing Partnership, lnc.	The rehabilitation of existing Certified Historic Buildings presents unique challenges in working within the parameters of the existing structure and in accordance with N PS and SHPO standards. While deviations based on these requirements are often needed, a review of the existing standards by experienced Historic design professionals and consultants has indicated that the DQS For Attached Rehabilitation of an Existing Building are most applicable as a base for the rehabilitation of a Certified Historic Building. Therefore, we recommend the DQS clarify that Certified Historic Buildings fall under the DQS for Attached Rehabilitation of an Existing Building.	Rehabilitation of existing Certified Historic Buildings should meet the Attached New Construction Rental Units minimum standards. Prior to submitting an application, deviation requests should be submitted for AHFA's approval for any standards that cannot be met.
	V. Attached Rehabilitation of an Existing Building	14	Tom Champion, Gulf Coast Housing Partnership, lnc.	The DQS standards for Attached Rehabilitation of an Existing Building mention efficiency units but to not provide any net unit area requirements for those units. We recommend adding an efficiency unit at 425 s.f. We have found loft style/efficiency units to be highly desirable particularly in urban redevelopment. In addition, these units per the comment above are helpful when rehabilitating Certified Historic Buildings to maximize the use of space for residents in the existing structures.	Prior to submitting an application, a deviation request to provide efficiency units with a recommended square footage should be submitted for AHFA's approval.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	General Comment- Design Quality Standards and Construction Manual		Mark English, E&A Team, Inc.	A failure to understand the accessibility requirements of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act for covered multifamily housing developments has led to widespread non-compliance and failure to afford accessibility for persons with disabilities in affordable housing. One concrete way to address this issue is requiring development owners, architects, and engineers to attend training on the accessibility requirements under these laws before approval of funding for covered project. Requiring development owners, architects, and engineers to attend such training as a threshold requirement for applying for Low Income Housing Tax Credits or similar housing finance assistance also serves as evidence that a state housing finance agency is meeting its obligations to the U.S. Department of Housing and Urban Development and other federal agencies when awarding funding. To address these issues, AHFA should require development owners, architects and engineers to attend five hours of AHFA approved fair housing and accessibility training and complete an examination showing retention of the training material. At the time of the application submission, these entities must submit	The 2016 HOME/Housing Credit Application Workshop preliminary agenda tentatively includes a Fair Housing Update, training by HUD on the Affirmatively Fair Housing Marketing Plan, discussions on Fair Housing Laws and Accessibility Standards. AHFA is also exploring options to provide specialized Fair Housing training targeted to owners, architects, and contractors. AHFA will engage a third-party construction consultant to review the final plans and specifications prior to construction for each approved project to ensure that it meets all applicable requirements of AHFA's Design Quality Standards and Construction Manual. The applicant/owner, project architect and general contractor will certify that the project meets the federal Fair Housing Amendments Act, the Americans with Disabilities Act and all accessibility requirements at the time of the submittal of the final plans and specification, the completion of the project and the issuance of the IRS Form 8609. In addition to the plans and specification review, AHFA has the right to inspect the project during construction, at the completion of construction and prior to the issuance of the IRS Form 8609.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				evidence of completion of five hours of AHFA approved fair housing training and that the attendees scored at least an 80% on the certification examination within the preceding 2 years. Another way to address the lack of accessibility compliance is to ensure that design plans and construction of AHFA funded developments are reviewed by an expert in the field of accessibility. This would be a requirement for all projects funded by AHFA. Development owners should be required to submit evidence that the design plans have been reviewed by an AHFA approved expert before construction begins and that the expert conduct a final inspection of the project and certify all measurements of the applicable federal accessibility standards applicable to the property.	
D - Compliance Monitoring Procedures, Requirements and Penalty Criteria					
	I.Q. Compliance Monitoring Procedures & Requirements	3	Amy Montgomery, Gateway	Change item Q to read as follows: "The owner must retain any final health, safety, or building code violations findings issued by any regulatory entity until reviewed by AHFA during a site inspection of the property."	This item is in Addendum D to comply with 1.42-5 (b)(3) which states the inspection record retention provision of owners. This item will not be changed.
	II. Penalty	3	Jeff Rice,	Provide a four (4) point buffer on compliance	The following will be added to Section II.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Scoring, Fees for Non-Compliance and Suspension Criteria		Rice Land & Development Corporation	audits before point deductions are incurred on applications.	of Addendum D: The automatic penalty point deductions will not be deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle until the cumulative total of all automatic penalty point deductions collected during the previous year (January 1st through December 31st) are above four (4) points. If an applicant's cumulative total of all automatic penalty point deductions is five (5) points or more the total of all automatic penalty point deductions will be deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle. All of the items listed as automatic penalty point deductions are deemed serious issues which should not be found during audits/inspections. Section II. B. of Addendum D states
	II. B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	3	Celeste Stewart, ASM Property Management	Allow for up to 4 points in compliance audits deductions before points are deducted on the Housing Credit Application.	
	II. B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	3	Ann Marie Rowlett, Rowlett & Company, LLC	Penalty points for non-compliance should not be carried over into the LIHTC application cycle unless the owner/management company has more than 4 penalty points. Any points over 4 should then be carried over into the next funding cycle round. This would make it more fair to the good owners/management companies that try their best to keep properties maintained but still occasionally fall short and will be detrimental to those that are not as diligent. Additionally, there should be a cure period for issues not related to health and safety violations before point deductions are imposed.	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	II.B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	3- 8	David Morrow, Morrow Realty	An owner and management company should have an opportunity to cure prior to deduction of application compliance points and being deemed "non-compliant". Unit inspections for compliance by the owner or management company more often than monthly will interfere with the tenant's right to quite enjoyment of their apartment. Section II.B. Amend to provide that AHFA will not assess penalty points based upon governmental inspection reports until AHFA (or its designated representative) has investigated the noncompl iance alleged in such governmental inspection reports. With the exception of state governmental entities which regularly audit compliance with Section 42 of the Code, a report from an outside party many not necessarily be a reliable indication of compliance or noncompliance.	"AHFA will review all results of third party inspection reports..." This means AHFA will review or investigate any third party reports which involve any automatic penalty point deductions in accordance with Section II. E. of Addendum D. This item will not be changed.

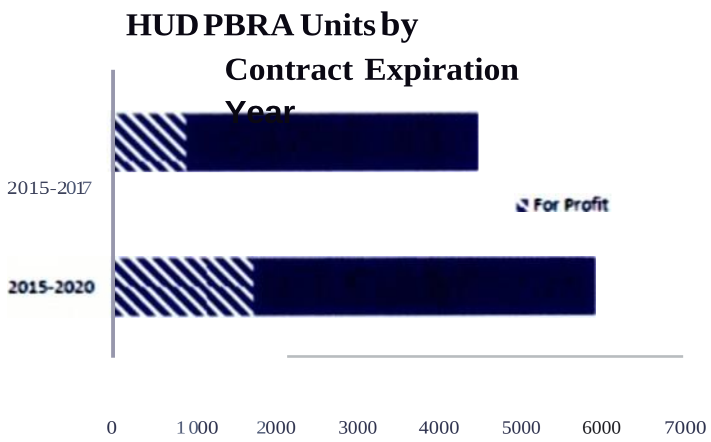
Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	II.B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	3	Brian Hollyhand, Hollyhand Companies	Provide a cure period that is reasonable with the occurrence. Only those items that could result in immediate life safety issues should call for penalties that are severe enough to be application points issues. A missing cover plate on an electrical outlet behind a heavy appliance out of reach should not be considered the same as a missing electrical cover plate in an open living area. Another example of a non-immediate safety item is a repair need in a locked utility closet that a resident cannot access. Penalties should not be the same across the board.	All of the Health and Safety issues listed in Section II.a.of Addendum D are potentially harmful to the residents. A change will be made due to Section D. a. iv. of Addendum D due to this comment. A second sentence will be added to this section notating exposed electrical wiring or electrical hazards located in a locked area preventing a resident from gaining access will not cause a penalty point deduction.
	II.B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	4	Amy Montgomery, Gateway	Consider an amendment to provide that AHFA will not assess penalty points based upon governmental inspection reports until Al-IFA (or its designated representative) has investigated the noncompliance alleged in such governmental inspection reports. With the exception of state governmental entities which regularly audit compliance with Section 42 of the Code, a report from an outside party many not necessarily be a reliable indication of compliance or noncompliance. Therefore, change item B to read: "AHFA will review all official final findings of inspection reports it receives from any local, state, or federal authority which contains health and safety, sanitary nature, and habitable living noncompliance issues. AHFA will apply applicable penalty point deductions for items on noncompliance found in an official finding of a governmental	Section II.B.of Addendum D states "AHFA will review all results of third party inspection reports..." This means AHFA will review or investigate any third party reports which involve any automatic penalty point deductions in accordance with Section II.E. of Addendum D.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				authority in accordance with Section II(E) of this Addendum; provided that the owner shall have a reasonable period to cure such findings."	
	Compliance - General Comment		Amy Montgomery, Gateway	The members of AAHA are concerned with the use of the word "non-compliance" in the letters being sent out after the inspections by the compliance department. Minor problems are cited as being "non-compliant" when they are, in fact, only issues related to AHFA's inspections and non-necessarily the "tax credit compliance". Members who are management agents feel that the use of this word is unsettling to owners/limited partners and could cause those owners to seek other management companies for relatively minor issues. Further, AAHA feels that cure periods should be given to owners/management agents BEFORE AHFA designates something being out of compliance.	The language used in letters sent to the owners of AHFA financed properties is not a comment on the drafts of Addendum D of the 2016 Housing Credit Qualified Allocation Plan or the HOME Action Plan for 2016 Funds. AHFA's compliance department sends the letters to the owners of AHFA funded properties to inform them of any findings the compliance department bas during its audits/inspections. The letters to the owners of AHFA funded properties also give the required correction period for any finding during an audit/inspection.
	Compliance-General Comment		Brian Hollyhand, Hollyhand Companies	Consideration should be given for tenant-caused damages that has occurred since the management visited the unit within the past week. Management cannot be in units daily as these are people's homes. Residents also may have a repair need, but either delay or choose not to report it. In addition, a tenant-owned item should be pointed out as a hazard if appropriate, but in no way should be a noncompliance issue of the unit. (HUD Compilation Bulletin, Revision 2.3, item 4)	Addendum D has buffers for the most common tenant caused items. Penalty point deductions only occur if more than 25%of the units inspected contain these items. The automatic penalty point items listed in Addendum D do not involve tenant-owned items. Hazards involving tenant-owned items are reported as findings in the noncompliance letter sent to the owner so they will be corrected.
General Comments					

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Terry Mount, DSI	Revise the AHFA HOME Loan extension and pay off policy to be in line with AAHA recommendations previously made. Many of these properties are not competitive under the 2016 draft QAP and therefor it is not practical to submit an application for rehabilitation. Many of these properties have general partners that are made up of entities owned by nonprofits or by smaller developers. The fees are above the level that many can pay. Many of the properties are in communities providing housing that would not have ever occurred had been left to local economic conditions. As there is no incentive for others to pick up these properties there may be an issue with continued deterioration of these.	No changes will be made to the AHFA HOME loan extension procedures.
			David Morrow, Morrow Realty	Any and all construction or rehabilitation underwriting cost guidelines, particularly construction costs, should be disclosed in written form if there are any thresholds or limits that Developers need to fall within. Currently there is a cost reasonableness test for eligibility and/or allowable credits or HOME funds, but no one knows what it is. Developers need to make informed decisions with regards to spending a large sum of predevelopment costs if they do not know	AHFA will not release the project cost standards for the following reasons: 1. It encourages owners to submit applications based on their actual costs to build based on environment and other cost factors at the time of construction, 2. An annual published cost standard fails to recognize significant fluctuations in

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				they will qualify or have sufficient resources. There should also not be a one size fits all cost guidelines as some costs are higher if located in certain areas of the state that have to meet more stringent construction standards for hurricanes for instance. Additionally, tax exempt bond rehabs may be structured differently in financing and timing of construction costs spread out over time so it would not be apples to apples in comparing the construction costs up front or the scope of work done up front to stand alone 9% rehab projects.	construction material costs; and 3. Our NCSHA counterparts have consistently reported that as soon as they published their maximum project cost standards in their annual Plans ALL applications immediately were submitted at the published maximum allowable project cost standard.
			Andrew Bailey, Millennia Housing Development	Overall, the Alabama QAP is well organized, easy to follow, and seems to ask for typical items that other State Housing Finance Agencies ask for. Not all QAPs have these characteristics. Thank you for the opportunity to provide comments and assist with policy development in the State of Alabama.	AHFA continually strives to clearly and concisely convey the ever changing requirements of the Plans in accordance with the governing laws, regulatory requirements and policies. Public comment is the driving force which enables fine tuning of the Plans. AHFA greatly appreciates the public participation in this process as we endeavor to create safe, affordable housing for Alabama's low to moderate income citizens.

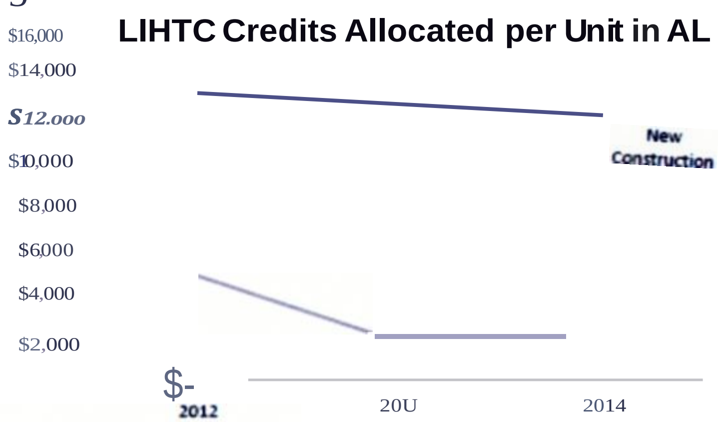
Figure 1.



Source: HUD PBRA DATA

**

Figure 2



Source: NHT Data LIHTC Allocations

Again, AHFA thanks all individuals and entities who provided comments for consideration in developing the final 2016 Housing Credit Qualified Allocation Plan and HOME Action Plan. All comments and AHFA responses provided in this summary are subject to modification and approval by the applicable authorities as specified under Section 42.